



Redmond Overlake Mixed Use Core and Surrounding Study Area

Report on Existing Conditions and Opportunities and Challenges to Redevelopment

City of Redmond Planning Department

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EXECUTIVE SUMMARY

The City of Redmond initiated a project focusing on implementation and refinement of the Overlake Neighborhood Plan in Summer 2005. This project involves evaluating actions needed to implement the existing vision and policies, and extension of the land use and transportation planning horizon to 2030.

The Overlake neighborhood is located in the southwestern corner of the City of Redmond. Three areas of the neighborhood make up the study area for this report, including the Shopping and Mixed-Use Core, and the Employment and Multifamily Areas.

In 1999, new visions for the Employment Area and Mixed-Use Core were adopted in the Overlake Neighborhood Plan update. The vision for the Employment Area is to continue as a major corporate, advanced technology, research and development, and compatible manufacturing hub for Redmond and the region. The area is envisioned to maintain its campus-like feel, with significant trees and tree clusters. The vision for the Shopping and Mixed-Use Core is to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts would be located closer to the street as part of mid-rise (5 to 6-story), mixed-use developments, making the area more hospitable for pedestrians, bicyclists, and transit.

This report serves to inform those contributing to implementation and refinement of the Overlake Neighborhood Plan on the background and existing conditions in the Overlake neighborhood, with an additional specific focus on the Mixed-Use Core (approximately 173 acres of the 975 acre Overlake study area). The most significant goal of this report is to identify opportunities and challenges to achieving the vision for the Mixed-Use Core. Information is provided on the Mixed-Use Core, the Surrounding Study Area, and on the results of other studies and agreements pertaining to the study area as a whole.

Mixed Use Core

Progress on achieving the vision for the Shopping and Mixed-Use Core has been slow. While there has been some developer interest in additional residential or potentially mixed-use developments, the City has received few formal applications. This may be changing, as 2 mixed-use development proposals, one including housing, have been received in recent months.

Development in the Mixed-Use Core began in 1966 and was heaviest throughout the 1970s. Currently, the area is home to a regional hospital (Eastside Hospital operated by Group Health Cooperative), large retail stores, chain and local restaurants, a variety of home furnishing stores, and several auto-service and auto-related businesses. Northeast 24th Street is a primary retail corridor in the Mixed-Use Core. There are approximately 400 residences in the area, split between the Village at Overlake and Overlake Terrace Assisted Living and Memory Care facility. Both the Redmond Comprehensive Plan and the Redmond Community Development Guide encourage residential uses along 152nd Avenue NE, where the 2 existing residential developments are located. The maximum floor area ratios (FARs) for the Retail Commercial zone (a majority

of the Mixed-Use Core) are .36 for commercial and 2.5 for housing, while the FARs in the Overlake Design District (ODD) are .40 for commercial and .68 for housing. Use of transfer of development rights allows higher FARs.

Approximately 88% of the land in the Mixed-Use Core is owned by 19 groups, corporations or individuals; the largest owners are Group Health Cooperative, Sears Merchandise Group, and the Yett Family Partnership. A majority of property owners are located in Washington, but about half of those owning more than 3 acres are located out-of-state. The average appraised land value is nearly \$17 per square foot, and the average appraised building value is over \$102 per square foot. Based on a ratio of improvement value to land value, a number of properties could be considered for redevelopment including 6 1-story retail or service buildings, a 2-story retail building, and one 1-story office building, a majority of which were developed prior to 1980.

The Overlake Park and Ride, located in the center of the Mixed-Use Core, is served by 8 Metro bus routes and 1 Community Transit (Snohomish County) route, but has no Sound Transit connections. It is well connected to Downtown Redmond, Southeast Redmond, and the Overlake Transit Center at NE 40th Street, but poorly connected to Redmond Town Center, Northeast Redmond, and the Willows neighborhood. The street network in the area is severely limited, placing too much reliance on major streets for local access and circulation; this also negatively impacts transit routes which incur operating delays in the area.

High capacity transit planning is underway for the area as part of the planning for Sound Transit Phase 2. The Sound Transit long range plan identifies a fixed-guideway transit system coming across Lake Washington on both I-90 and SR 520 and connecting to Downtown Bellevue and Redmond, with 2 stations in the Overlake neighborhood—one in the Mixed-Use Core and one at the Overlake Transit Center at NE 40th Street. For purposes of the initial Phase 2 financial analysis, Sound Transit is using 152nd Avenue NE as the representative HCT alignment through this area with a station location near 152nd Avenue NE and NE 24th Street.

Currently, the Mixed-Use Core is only somewhat pedestrian friendly, but the Redmond Transportation Master Plan suggests the pedestrian environment should improve substantially. Consistent sidewalks exist in the area and are buffered from traffic by street trees, yet many streets are difficult to cross on foot and bicycle lanes are largely absent. The area is lacking parks, public art and other amenities, which would help to encourage walking.

The Mixed-Use Core faces some challenges in terms of public facilities and services. Police and fire stations are located outside the area but within the larger Overlake Neighborhood; fire response times in recent months have averaged 7.4 minutes to the Overlake Park and Ride, significantly longer than the citywide average of 6.5 minutes. The Fire Department has requested an increase in staffing at the Overlake station to improve response times in the area. The existing sewer infrastructure in the area has limited capacity and the Overlake/Viewpoint water service area is facing a storage shortfall; improvements are underway and plans are in place to deal with some of these capacity limitations and an update to the General Sewer Plan (developed before the 1999 update to the Overlake Neighborhood Plan) is in progress to reflect the emphasis on housing in the Mixed-Use Core.

The implications of land and improvement values, ownership patterns, transportation, demographics and other area characteristics on development decisions have been evaluated and used to identify challenges and opportunities to achieving the vision laid out for the Mixed-Use Core.

Opportunities for achieving this vision include:

- Location: The Overlake Mixed-Use Core is centrally located between the downtowns of both Redmond and Bellevue, and is close to a large employment center. It is well served by SR 520 but not oriented towards the freeway, allowing for a well functioning neighborhood core to form.
- Large parcel size: A majority of the parcels in the Mixed-Use Core are relatively larger than those in the Downtown. Smaller parcels and ownership holdings are more difficult to assemble, thereby making redevelopment more challenging.
- Housing demand: As the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives.
- Current zoning capacity: Current zoning and development regulations in place provide for a tremendous amount of residential capacity. If the BROTS cap is increased, additional commercial capacity would exist as well.
- Lower land cost: Current land costs in Overlake are 10-20% lower than in the Downtown which may make it more attractive for redevelopment to accommodate future population growth.
- Low improvement to land value ratio: Properties with a ratio of improvement value to land value of less than 0.5 are generally considered potential candidates for redevelopment. In the case of the Mixed-Use Core of Overlake, 13 properties fall into this category—a total of approximately 17 acres.
- Transit: Often, the planning and construction of transit stations for fixed-guideway transit spurs redevelopment in an area. A high capacity transit station located near 152nd Avenue NE and NE 24th Street would strongly support the vision for the Mixed-Use Core.
- Employment anchors: The presence of large employers—Microsoft, Nintendo, and Honeywell International, for example—can create demand for housing, retail, and other services, such as hotels.
- Group Health: Group Health will be moving the Eastside Hospital and specialty care functions from the current Group Health site in the Mixed-Use Core to Overlake Hospital in Bellevue. The future of this property is unknown, but if redeveloped the site could provide a jump-start to carrying out the vision for this area and serve as an example of a desirable type of development.

- Surface parking: Although the presence of large amounts of surface parking is currently a barrier to a high quality pedestrian environment, it could allow for easier redevelopment of some sites by developing parking structures first and then filling in the existing surface parking with new retail or mixed-use structures.
- Parks Board SWOT Analysis: The Redmond Parks Board will be undertaking a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis of the Overlake neighborhood in the near future. It is likely that the next update of the PRO Plan will include a provision for acquisition of land for a park in this area. A park or other public space will provide an amenity that will attract residents and visitors alike, as well as make the area more hospitable and inviting to existing residents and employees.

Challenges for achieving the vision for the Mixed-Use Core include:

- No sense of place: A sense of place is critical in attracting new development and increasing the demand for housing, retail or services. In order to attract new residents, especially the Generation Y group that is expected to live here, the Mixed-Use Core will need to have more of a focal point with gathering places and desired services. Until this focal point is in place, developers may not be willing to consider the area since it is unlikely to attract many potential residents.
- Lack of builder awareness: Few builders are aware of the vision and zoning capacity in place for the Mixed-Use Core. Improving builder awareness of the goals and possibilities for the area may be the key to stimulating development proposals and creating the mixed-use core called for in the vision.
- Limited street grid: Because the street network in this area is missing key connections, too much reliance is placed on major streets for local circulation and access. This limited street grid contributes to significant traffic congestion which is perhaps a larger, more visible barrier to redevelopment in the area that is consistent with the Shopping and Mixed-Use Core vision.
- Traffic: Due partially to the limited street grid, heavy traffic congestion exists in the Mixed-Use Core. Although NE 24th Street is a major retail corridor in the Mixed-Use Core, it may be a significant, but not insurmountable, barrier to redevelopment under current traffic conditions. The street trees located along this corridor provide a physical divider between pedestrians and traffic, and could help to provide a buffer between upper-floor residences and the noise of traffic below. The introduction of HCT to the area would provide more transportation options to travelers but construction of the line is likely to temporarily negatively impact the traffic situation further.
- Poor pedestrian environment: In addition to long blocks created by the limited street grid (most block lengths range from 800 to 1200 feet) and high levels of traffic that are not appealing to pedestrians, intersection crossings are made difficult by the large number of lanes on several of the main arterials. There are also few bicycle lanes or connections. Large amounts of surface parking currently negatively impact the pedestrian environment by increasing the distance pedestrians must walk between retail or office locations.

- Lack of open space: Currently no public open spaces in the form of a park, plaza or other space exist within the Mixed-Use Core. Requiring developers to provide public open spaces may be difficult if the City is trying to entice redevelopment in the area.
- Future demographics: Many of the above issues combine to provide significant challenges to building housing. The most likely residents of new housing in the area are Generation Y renters (those under 30 years of age) who value proximity to social gathering places and services more than proximity to employment. Currently, the long blocks, relatively limited connectivity and access to transit, lack of amenities, and few things within walking distance are not likely to appeal to potential residents or developers.
- Building ownership: Approximately half of the landowners who own more than 3 acres in the Mixed-Use Core are located out-of-state. This may make redevelopment efforts with these particular land owners more challenging.
- Sewer capacity: Currently, the Overlake South sewer basin can accommodate projected growth through 2022. An update to the 1997 General Sewer Plan is needed to account for the period beyond this and for the amount of residential zoning capacity that exists in the neighborhood.
- Water storage deficit: Currently, the Overlake/Viewpoint water service area has a storage deficit and a system-wide deficit is projected for 2020 and 2050. Some plans to address this shortage have been identified. In the long run, additional storage capacity will be needed in this service area.
- Fire Department challenges: Station #12, located outside of the Mixed-Use Core on 148th Avenue NE, is likely to face increasing challenges resulting from increased traffic congestion, increasing population, simultaneous alarms, and increased structure size in the Mixed-Use Core.

Based on the above opportunities and challenges to redevelopment in and achievement of the vision for the Mixed-Use Core, the vision is still considered valid for the area, although it may take a longer period of time to achieve than desired. Some of the most significant driving forces of redevelopment in the Mixed-Use Core will likely be planning for and future construction of HCT through the area, the increased importance of Overlake in accommodating future population growth, and the lower land values found here relative to those in the Downtown. There are also various City investments and actions that can be taken to help attract new development and redevelopment efforts to this particular area. Some of these actions include the following:

- Provide infrastructure and invest in public improvements: Infrastructure improvements in the area may include sidewalks and lighting that are consistent with the Pedestrian Supportive or Pedestrian Place designations. Investing in other public improvements such as a park, public art, or other pedestrian friendly places may also serve to attract developers and potential new residents or businesses.

- Improve the street grid: Refining the grid by providing more connections particularly in the east-west direction, would not only create shorter blocks for pedestrians, but would also potentially reduce some of the traffic on the existing arterials. The 36th Street SR 520 overcrossing project is likely to improve the traffic situation somewhat, but better internal connections are needed as well.
- Create a Public Relations Campaign for Overlake: Although the City may be willing and hopeful for new development or redevelopment to occur in this area, developers are not aware of that desire or of the opportunities for redevelopment that may exist here. Creating a sense of place in the Mixed-Use Core and giving it a more creative name is likely to aid in the creation of an identity. Community identities are often used for branding an area, which helps to attract not only future residents and businesses, but also private developers.

Surrounding Study Area: Employment and Multifamily Areas

Since the update of the neighborhood plan, development has proceeded consistent with the land use vision for the Employment Area. In 1995, there were 7 million square feet of commercial space. As of May 2005, there were 15.3 million square feet of commercial space constructed or active, including the Safeco Development Agreement, the recently approved Microsoft Development Agreement and the proposed Nintendo Development Agreement. These agreements bring the total for commercial floor area that is constructed or active to just under 100,000 square feet of the commercial development cap of 15.4 million square feet.

The Employment Area is largely business parks and is home to 281 commercial businesses that employ over 32,000 workers. A majority of these businesses are in the service industry. Twelve employers have over 100 employees, including Sears and Group Health Cooperative (located in the Mixed-Use Core), Eddie Bauer, Nintendo, Microsoft Corporation, and Honeywell International Incorporated. Other uses in the area include multifamily residential developments (zoned R-12 to R-30), a police substation, and a VFW post.

Five parcels in the area are vacant; 2 of these are owned by Nintendo, and 1 is owned by the City of Redmond. Mixed-use developments are allowed in the OV zone, as well as commercial clusters. Maximum FARs allow for .40 for commercial buildings and .68 for residential buildings, and some portions of the area are also subject to minimum and maximum FAR and height overlays. Several “Green Streets” have been designated in the Employment Area, including NE 51st and 40th Streets and 156th Avenue NE.

The Overlake Transit Center, located at NE 40th Street and 156th Avenue NE, is served by 11 Metro, 3 Sound Transit, and 1 Community Transit routes. It is not well connected to Redmond Town Center, Northeast Redmond, or the Willows and Viewpoint neighborhoods. The current mode-split in the area is 25% non-SOV usage and 10 businesses participate in the Commute Trip Reduction program. The Red-West Wetlands is the only park within the study area boundary; nearby parks in the surrounding neighborhood include Bridle Crest Trail Open Space, and Cascade View and Westside Parks. The proposed Nintendo Development Agreement identifies 1.5 acres at 148th Avenue NE and NE 51st Street to be donated to the City for public open space.

Over 13,000 people live within 1 mile of the intersection of 152nd Avenue NE and NE 24th Street, an area that includes the Mixed-Use Core and Employment and Multifamily Areas, as well as portions of the City of Bellevue. The median income of these residents is nearly \$53,000 and only 38% own their own home. A significant number of these households do not own cars: 10%, which is twice the percentage of those households in the City of Redmond overall that do not own personal vehicles. The largest age group is aged 35-64 and approximately 25% of the population is Asian and 60% is Caucasian.

Studies and Agreements Pertaining to Study Area

Four agreements relate to development within the Overlake Neighborhood; these include the BROTS Agreement, and the Microsoft, Safeco, and pending Nintendo Development Agreements. The Bellevue-Redmond-Overlake Transportation Study Agreement (BROTS) is an inter-local agreement between the Cities of Bellevue and Redmond. The agreement identifies transportation projects in the area, including funding sources and agencies responsible for the projects. It also establishes a commercial development cap, the purpose of which is to mitigate transportation impacts of growth and maintain LOS standards in the Overlake area. This cap was adopted in 1999 to apply to growth through 2012 and limits commercial development in the Overlake neighborhood to 15.4 million square feet, as mentioned above, and in Bellevue's adjacent areas to 12.2 million square feet.

The BROTS Agreement led to a number of other studies, including the North-South Corridor Study which aimed to address congestion in the Overlake area of 148th Avenue NE. This study identified the need for improvements at NE 24th Street and 148th Avenue NE, and at the junction of SR 520 and 148th Avenue NE. Some of these projects have been completed, while others are still in the works. One of the most significant projects, a new over-crossing of SR 520, will be constructed within 5-10 years and is partially funded through the Microsoft Development Agreement.

The Microsoft Development Agreement identifies other infrastructure improvements and the square footage Microsoft can develop in the next 20 years on its campus. Specifically, the agreement allows Microsoft to develop nearly 2.2 million net new square feet of commercial space, 251,000 square feet of which will be set aside pending a decision on raising the BROTS cap.

The Second Safeco Development Agreement provides for up to 445,490 square feet of net new space to be developed during Phase III of campus development. Since the signing of the agreement in 2004, Microsoft has purchased Safeco's Redmond Campus but the provisions and requirements of the agreement still apply.

The proposed Nintendo Development Agreement also identifies transportation improvements and concurrency projects, as well as stormwater, sewer, and water provisions. If approved, the agreement would permit Nintendo to develop over 550,000 square feet of commercial space on their campus, reserving 35,000 square feet of that amount pending a decision on raising the BROTS cap.

INTRODUCTION

The City of Redmond initiated a project focusing on implementation and refinement of the Overlake Neighborhood Plan in Summer 2005. This project involves evaluating actions needed to implement the existing vision and policies, and extension of the land use and transportation planning horizon to 2030. Six major outcomes have been identified as coming from this study:

- Determination of whether Overlake is an Urban Center.
- Identification of a preferred HCT system alignment and station locations.
- Master plan for the Overlake Shopping and Mixed-Use Core to guide infill development, transportation improvements, and other investments.
- Updates to the Comprehensive Plan, Community Development Guide, and Transportation Master Plan.
- Updates to environmental documents.
- Preliminary determination of what actions to consider following expiration of the BROTS agreement.

This study is scheduled to conclude in mid-2007, however, some outcomes are likely to be completed prior to this date. For example, Redmond has amended its Comprehensive Plan to designate Overlake as an Urban Center, and regional actions are likely to be completed in 2006.

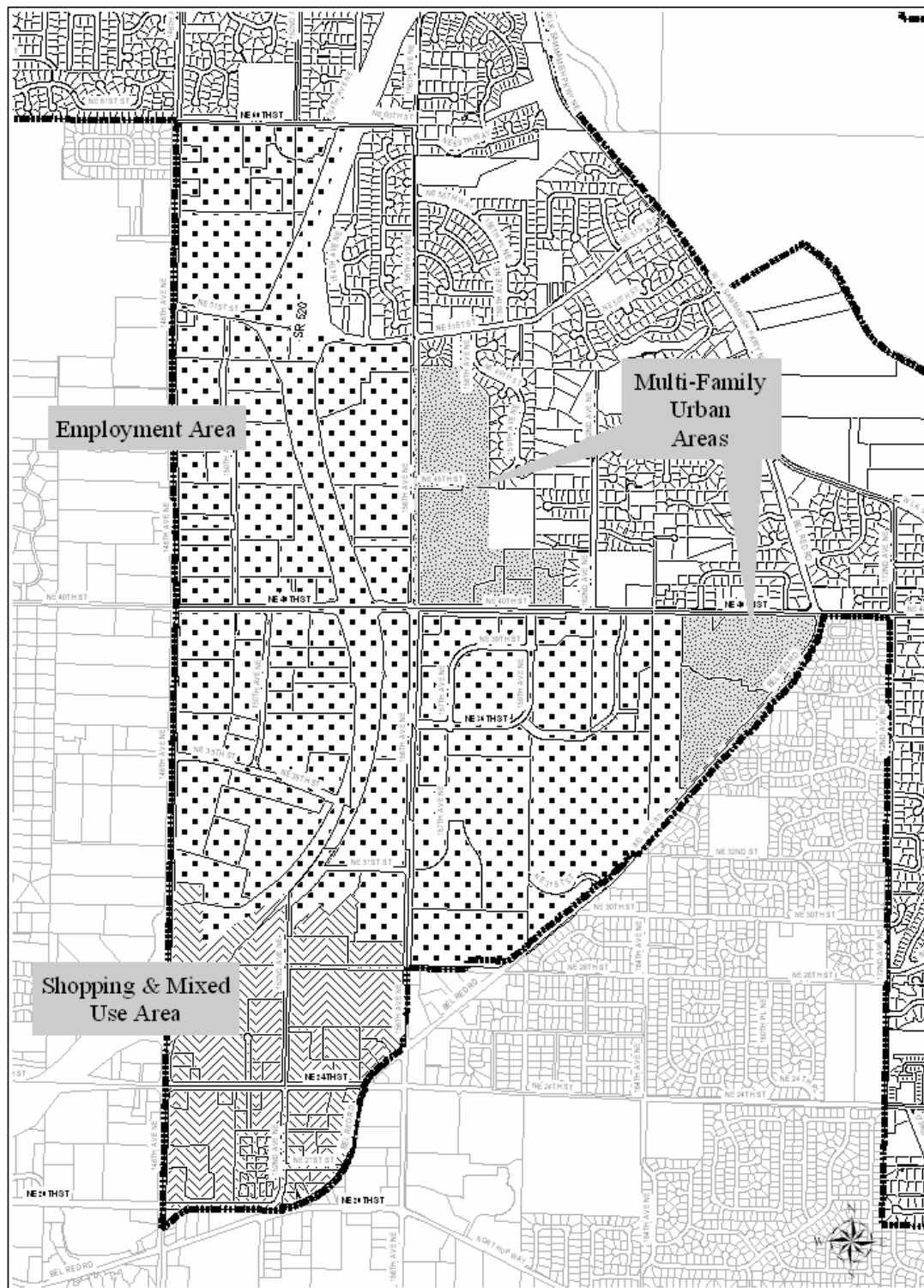
The Overlake neighborhood is located in the southwestern corner of the City of Redmond. The study area for this project totals 975 acres and includes three areas: the Employment, Shopping and Mixed-Use, and Multi-Family areas, as shown in the Study Area Map on the following page.

The vision for the Employment Area is to continue as a major corporate, advanced technology, research and development, and compatible manufacturing hub for Redmond and the region. The area is envisioned to maintain its campus-like feel, with significant trees and tree clusters.

The vision for the Shopping and Mixed-Use Core is to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts would be located closer to the street as part of mid-rise (5 to 6-story), mixed-use developments, making the area more hospitable for pedestrians, bicyclists, and transit.

The most recent update to the Overlake Neighborhood Plan was adopted in 1999. Since the update of the neighborhood plan, development has proceeded consistent with the land use vision for the Employment Area. In 1995, there were 7 million square feet of commercial space. As of May 2005, there were 15.3 million square feet of commercial space constructed or active, including the recently approved Microsoft Development Agreement and the proposed Nintendo Development Agreement.

Study Area Map



opment Agreement. These agreements bring the total for commercial floor area that is constructed or active to just under 100,000 square feet of the commercial development cap of 15.4 million square feet.

Progress on the vision for the Shopping and Mixed-Use Core has been slower. Construction of the Village at Overlake Station in 2000 added 308 dwellings. While there has been some developer interest in additional residential or potentially mixed-use developments, the City has received few formal applications.

Project Context

Currently, the properties included within the Overlake study area are home to 45 percent of Redmond's commercial floor area and nearly 2,200 residences. Approximately 33,400 people work in Overlake. As described below, the study area has great importance to the City with regards to achieving Redmond's housing goals. Further, Overlake is planned to have high capacity transit service to Downtown Redmond, Bellevue, and other centers throughout the central Puget Sound region. Over the next 20 years, this area is planned to continue as one of Redmond's primary locations for future growth as well as a major center in the region.

Several factors provided impetus for this study:

- Importance of Overlake in Achievement of City's Housing Policies: The Overlake Neighborhood is second only to the Downtown in the amount of residential development that is projected to occur through 2022. As the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives.
- Planning for High Capacity Transit (HCT): Sound Transit began Phase 2 planning and public involvement in June 2005 and will continue to do so through mid-2007. Redmond will continue its work with Sound Transit to identify a preferred alignment and station areas within Overlake.
- Priority Action in Transportation Master Plan (TMP): While the TMP includes the transportation projects established through the BROTS agreement, it also recognizes that more detailed study is needed to assess what transportation facilities and programs are needed to support the mixed-use and pedestrian supportive environment envisioned for the Shopping and Mixed-Use Core.
- City Council's Interest in Economic Goals for Overlake: One of the outcomes of the City Council's 2004 retreat included an objective of defining the Overlake Urban Economic Neighborhood Initiative goals.
- Preparation for long-range land use and transportation planning: The City of Bellevue is examining future growth and transportation scenarios for the Bel-Red Corridor through 2030. Among the major study objectives are evaluating the role of this area as part of Bellevue's overall economic strategy, identifying a vision for future growth in the area, identifying

needed transportation improvements, informing HCT alignment and station area decisions, and undertaking implementation actions as needed.

In 2003, the Redmond City Council directed staff to begin re-evaluation of the 15.4 million square foot commercial growth limit for Overlake on or before January 31, 2008. Policy N-OV-75 also calls for re-evaluating the amount of development which can be accommodated in Overlake as more transit service becomes available and progress is made towards meeting non-single-occupancy vehicle travel objectives.

Key Questions

This report serves to inform those contributing to implementation and refinement of the Overlake Neighborhood Plan on the background and existing conditions in the Overlake neighborhood, with an additional specific focus on the Mixed-Use Core (approximately 173 acres of the 975 acre Overlake study area). The most significant goal of this report is to identify opportunities and challenges to achieving the vision for the Mixed-Use Core.

Key questions to be addressed by this study include those directed at the Mixed-Use Core, an HCT station along the NE 40th Street Corridor and the Overlake study area as a whole. The questions for each area are given below.

Overlake Mixed-Use Core

- What are the opportunities and challenges to achieving the vision for the Mixed-Use Core? What are the implications of land and improvement values, ownership patterns, transportation, City zoning, and other characteristics of the area for development decisions?
- Based on consideration of opportunities and challenges, is the vision still appropriate?
- How can City planning, zoning and investments attract the kind of development envisioned for this area? How should actions be phased to be most successful?

HCT Station Area along NE 40th Street Corridor

- What is the preferred design concept for this station area, including land use mix and intensity, design treatments and transportation?

Overlake Study Area as a Whole

- What are Redmond's preferences regarding the future character, amount and pace of development in Overlake and the supporting transportation system? Should the commercial development cap be increased and, if yes, under what conditions and to what level?
- What are the potential transportation impacts associated with additional commercial and multi-family residential development in Overlake, including potential impacts on nearby residential areas in Redmond and Bellevue?
- What transportation project and program improvements would be needed to support additional development in Overlake through 2030? What improvements to other public facilities

and services would be needed to support additional development? How could improvements be funded?

- What are the opportunities to improve connections between the various sub-districts within the Overlake Neighborhood, as well as between Overlake and nearby residential neighborhoods?

Report Organization

The following report is divided into two major sections focusing on the Mixed-Use Core, and its surrounding area within the Overlake neighborhood. Topics addressed in the Mixed-Use Core section include those related to land use, buildings, environmental features, transit and transportation facilities, pedestrian and bicycle facilities, utilities, and amenities. A majority of these topics, as well as demographics and business and employment information, are also addressed in the discussion related to the surrounding land in the primary study area.

The information provided in the section on the Mixed-Use Core was used to identify opportunities and challenges to achieving the vision set out for this area of the Overlake Neighborhood. A discussion of these challenges and opportunities immediately follows this introduction.

A final section of this report addresses the results or status of other previous or current studies that pertain to the primary study area. These studies include the BROTS Agreement and updates, the North-South Corridor Study, and the Microsoft, Safeco and pending Nintendo Development Agreements.

OPPORTUNITIES AND CHALLENGES TO REDEVELOPMENT IN THE MIXED-USE CORE

The 1999 update to the Overlake Neighborhood Plan identified a future vision for the portion of the neighborhood referred to as the Mixed-Use Core. The vision suggests the area is to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts will be located closer to the street as part of mid-rise (5 to 6-story), mixed-use developments, making the area more hospitable for pedestrians, bicyclists, and transit. Unfortunately, progress on achieving this vision has been slow. Construction of the Village at Overlake Station in 2000 added 308 dwellings. While there has been some developer interest in additional residential or potentially mixed-use developments, the City has received few formal applications.

This section identifies potential opportunities and challenges to achieving the vision for the Mixed-Use Core, based on a consideration of the information presented next in this report. An evaluation of the implications of land and improvement values, ownership patterns, transportation, demographics and other area characteristics on development decisions led to the challenges and opportunities described below. These challenges and opportunities then helped to evaluate the validity of the vision for the area and identify potential actions the City could take to aid in redevelopment of the area.

Opportunities to Redevelopment and Achieving the Vision

Despite the presence of many potential challenges to redevelopment and achieving the vision for the Mixed-Use Core, a great number of potential opportunities for exist in the area as well. These opportunities include the following:

- **Location:** The Overlake Mixed-Use Core is centrally located between the downtowns of both Redmond and Bellevue. It is well served by SR 520 but not oriented towards the freeway, allowing for a well functioning neighborhood core to form. It is close in proximity to the large employment center in Overlake and to numerous housing developments in Redmond, Bellevue and Kirkland that house residents with a wide range of incomes. The planned construction of a fixed-guideway transit system will connect the area with Downtown Redmond, Downtown Bellevue and other centers within the Puget Sound region.
- **Large parcel size:** A majority of the parcels in the Mixed-Use Core are relatively larger than those in the Downtown. Smaller parcels and ownership holdings are more difficult to assemble, thereby making redevelopment more challenging.
- **Housing demand:** Perhaps the greatest opportunity for redevelopment will be the increased importance of Overlake and the Downtown in accommodating future population growth. As the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives. A residential market analysis performed by NewHomeTrends suggests that within the next 5-6 years, the Mixed-Use Core could accommodate up to 950 housing units, or 175-200 units each year for the next 25 years. Based on a

demographic analysis, the Overlake area is more likely to attract Generation Y renters (those under age 30), as opposed to Generation Y or Baby-Boomer buyers.

- Current zoning capacity: Current zoning and development regulations in place provide for a tremendous amount of residential capacity—if every property were to redevelop with housing, approximately 12,000 residential units could be constructed in the Mixed-Use Core, assuming an average unit size of 1,000 square feet. This is unlikely to occur, but highlights the capacity that exists for housing in the area. If the BROTS cap is increased, additional commercial capacity would exist as well.
- Lower land cost: Land costs in Overlake are 10-20% lower than in the Downtown which may make it more attractive for redevelopment to accommodate future population growth. These lower land costs will translate into lower housing costs, creating even more demand for housing in Overlake. Even as land costs and prices rise as the area grows, it is likely to continue to lag behind Downtown prices.
- Low improvement to land value ratio: Properties with a ratio of improvement value to land value of less than 0.5 are generally considered potential candidates for redevelopment. In the case of the Mixed-Use Core of Overlake, 13 properties fall into this category—a total of approximately 17 acres. A few of these properties that have no improvements—including the Overlake Transit Center and Puget Sound Substation—are unlikely to redevelop. Those that could redevelop include 2 of the Bank of America sites, Mi Mexico/Wendy's, Overlake Auto center, Taco Bell and the America Income Life Building. The parcel containing the Sears building has a ratio of only 0.52. Including the Sears property brings the total acreage that could be considered for redevelopment to over 18 acres or approximately 14% of land in the Mixed-Use Core. Although this is not a high percentage of land in the area, it is likely to be enough to provide a sufficient start to redevelopment.
- Transit: Typically, the planning and construction of transit stations for fixed-guideway transit spurs redevelopment in an area. The 152nd Avenue NE corridor is currently being used as a representative alignment in Sound Transit Phase 2 planning and is the preferred alignment for HCT by City staff; both the Sound Transit Long Range Plan and Redmond's Transportation Master Plan call for locating a station in this area as well. Improved transit in this area would make it easier for those who work or visit the area to choose transit instead of a personal vehicle. Increasing the connectivity to the Overlake Mixed-Use Core could attract more shoppers and residents, increasing the demand for new retail and services.
- Employment anchors: The presence of large employers—Microsoft, Nintendo, and Honeywell International, for example—can create demand for housing, retail, and other services, such as hotels. Demographic analyses suggest the desire to live close to work is a growing trend. As traffic continues to worsen, and more transit options are available in the Overlake Neighborhood, it is likely that more employees will desire to live in the area. Further, it is likely that the large employment base to the north and east of the Mixed-Use Core accounts for a significant portion of the shoppers in the Mixed-Use Core; offering more restaurant and retail options in new developments in the area may help draw more employees out of their cafeterias or offices at lunch time or after work. Finally, there is some indication that hotels

could be placed in the area to serve the needs of large companies in the area. A few business class hotels exist near Overlake, but demand may exist for a higher-end establishment as well. Currently the area may lack visibility for the hotel industry, but as it redevelops, it is likely that this area could be seen as a perfect location for such a service.

- Group Health: Group Health Cooperative will be moving the Eastside Hospital and specialty care functions from the current Group Health site in the Mixed-Use Core to Overlake Hospital in Bellevue. The future of this property is unknown, but if redeveloped this site could provide the jump-start to carrying out the vision for this area. It could also provide an example of a desirable type of development or of a successful redevelopment process in working with the City of Redmond.
- Surface parking: Although the presence of large amounts of surface parking is currently a barrier to a high quality pedestrian environment, it could allow for easier redevelopment of some sites. In particular, if the Sears site were to redevelop, it could follow the examples of recent redevelopment at Southcenter and Alderwood Malls: parking structures were built first on a portion of surface parking lots and then the remaining surface parking was redeveloped with new structures. This could be a way to bring buildings closer to the street while allowing the existing businesses to remain open during construction and to continue afterward as part of new structures.
- Parks Board SWOT Analysis: The Redmond Parks Board will be undertaking a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis of each City of Redmond neighborhood, including the Overlake neighborhood. While the current PRO Plan does not include a provision for a park in the Mixed-Use Core, the Board and the Parks Department recognize that the Overlake Neighborhood Plan calls for a park in the area and identifies this need as a top priority. It is likely that the next update of the PRO Plan will include a provision for acquisition of land for a park in this area. A park or other public space will provide an amenity that will attract residents and visitors alike, as well as make the area more hospitable and inviting to existing residents and employees.

Challenges to Redevelopment and Achieving the Vision

There also are potential challenges to redevelopment and achievement of the vision for the Mixed-Use Core. Some of these challenges may be easily overcome, such as a lack of a sense of place in the area, while others may be more persistent, such as the significant traffic congestion.

- No sense of place: A sense of place is critical in attracting new development and increasing the demand for housing, retail or services. Currently, the area is dominated by an older shopping center, however, in order to attract new users or residents, especially the Generation Y group that is expected to live here, the Mixed-Use Core will need to have more of a focal point with gathering places and desired services. A more creative name for the area may also aid in improving its image. Until this focal point is in place, developers may be hesitant to consider the area since it is less likely than other areas to attract many potential residents.

- Lack of builder awareness: As suggested by Suzanne Britsch of NewHomeTrends, few builders are aware of the vision and zoning capacity in place for the Mixed-Use Core. Improving builder awareness of the goals and possibilities for the area may be the key to stimulating development proposals and creating the mixed-use core called for in the vision. This awareness may be increased through actions taken by the City to reach out to developers or through the successful future completion of new projects such as the proposed White Swan development.
- Limited street grid: Because the street network within the Mixed-Use Core is missing key connections, there is too much reliance on major streets for local circulation and access. This limited street grid contributes to significant traffic congestion which is perhaps a larger, more visible barrier to redevelopment in the area. New street connections, especially in the east-west direction, may be needed to facilitate the redevelopment and infill that is desired. These new street connections will also serve to shorten the length of blocks, which will improve the pedestrian environment.
- Traffic: Due partially to the limited street grid, heavy traffic congestion exists in the Mixed-Use Core. A majority of the intersections in the Mixed-Use Core currently operate at LOS F and are expected to continue to operate at this LOS in 2012. Some intersections slightly outside the City of Redmond limits are expected to operate at LOS F as well, which may cause further problems on streets within the Mixed-Use Core. If the ratio of jobs to population in the neighborhood increases, traffic congestion may be further negatively impacted. Although NE 24th Street is a major retail corridor in the Mixed-Use Core, it may be a significant, but not insurmountable, barrier to redevelopment under current traffic conditions. The street trees located along this corridor provide a physical divider between pedestrians and traffic, and could help to provide a buffer between upper-floor residences and the noise of traffic below. The introduction of HCT to the area will provide more transportation options to travelers but construction of the line is likely to temporarily negatively impact the traffic situation further.
- Poor pedestrian environment: In addition to long blocks created by the limited street grid (block length ranges from 800 to 1200 feet) and high levels of traffic that are not appealing to pedestrians, intersection crossings are made difficult by the large number of lanes on several of the main arterials. There are also few bicycle lanes or connections. While the large amounts of surface parking may provide some opportunity for redevelopment in the future, these lots currently negatively impact the pedestrian environment by increasing the distance pedestrians must walk between retail or office locations. The area is currently classified as Pedestrian Tolerant (continuous sidewalks and street trees to buffer pedestrians from the roadway are present) but is planned to be Pedestrian Supportive at a minimum—such an environment would not only have continuous sidewalks and street trees to provide a buffer but the sidewalks would also be wide enough to allow walking side-by-side, and good street crossings would need to be present. Based on current pedestrian and bicycle conditions, there may not be much incentive for a single redevelopment project to be located closer to the street and to provide the Pedestrian Supportive or Pedestrian Place amenities called for in the TMP. The current condition of 152nd Avenue NE—lower traffic levels, slower speeds, adequate access to transit—makes it the most likely corridor in the area to achieve a Pedes-

trian Place designation in the near future. A potential HCT line along this corridor could be positively integrated with new developments and the pedestrian environment to further enhance the corridor.

- Lack of open space: Currently no public open spaces in the form of a park, plaza or other space exist within the Mixed-Use Core. Amenities such as parks, plazas, fountains or other sitting areas are needed to attract residents and redevelopment in the area. Requiring developers to provide public open spaces may be difficult if the City is trying to entice redevelopment in the area. Once an improved pedestrian environment is in place, a program similar to the Redmond Outdoor Sculpture program that exists in Downtown Redmond may provide an opportunity to integrate open space and walking/bicycling in the area.
- Future demographics: Many of the above issues combine to provide significant challenges to building housing. The most likely residents of new housing in the area are Generation Y renters who value proximity to social gathering places and services more than proximity to employment. These residents will seek things to do and places to gather and will want them within walking distance. Currently, the long blocks, relatively limited connectivity and access to transit, lack of amenities, and few things within walking distance are not likely to appeal to potential residents or developers. Although what is currently on the ground is not likely to appeal to the demographic group forecasted to locate in the area, future amenities, such as high capacity transit, are likely to attract residents.
- Building ownership: Approximately half of the landowners who own more than 3 acres in the Mixed-Use Core are located out-of-state. This may make redevelopment efforts with these particular land owners more challenging. Given that larger parcels or holdings are more easily assembled and redeveloped, the location of the larger landowners may be an important factor in achieving the vision for this area.
- Sewer capacity: Currently, the Overlake South sewer basin can accommodate projected growth through 2022. An update to the 1997 General Sewer Plan is needed to account for the period beyond this and for the amount of residential zoning capacity that exists in the neighborhood. Coordination with the City of Bellevue will be necessary to provide increased capacity as the cities' systems are linked.
- Water storage deficit: Currently, the Overlake/Viewpoint water service area has a storage deficit and a system-wide deficit is projected for 2020 and 2050. Some plans to address this shortage have been identified. In the short term, coordination with the City of Bellevue may help address this problem, as the cities share a storage tank near the Overlake neighborhood. In the long run, additional storage will be necessary in this service area.
- Fire Department challenges: Station #12, located outside of the Mixed-Use Core, is likely to face increasing challenges resulting from increased traffic congestion, increasing population, simultaneous alarms, and increased structure size in the Mixed-Use Core. This Station does not have a ladder truck and must contract with Bellevue to use a ladder truck in certain circumstances. The average response time is 7.4 minutes, nearly a minute longer than the aver-

age response time citywide. The Fire Department has requested an increase in staffing at the Overlake station to improve response times in the Overlake area.

Is the Vision Still Appropriate?

Although it may take a longer period of time than desired, it is likely that the area can still achieve the vision laid out in the 1999 neighborhood plan update. Some of the most significant driving forces of redevelopment in the Mixed-Use Core will be the planned construction of HCT through the area, the increased importance of Overlake in accommodating future population growth, and the lower land values found here relative to those in the Downtown.

As mentioned above, as the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives. New residents will create a demand for other improvements, including parks and open space amenities, improved services and retail opportunities, and new gathering places such as coffee shops, yoga studios and restaurants.

A number of studies throughout the United States have found that the introduction of HCT, especially light rail, in an area results in increased development or redevelopment and an increase in land values. High Capacity Transit has the ability to bring a new set of customers to an area and helps to increase the visibility of areas along the HCT alignment. It is through the construction of an HCT station that the area may find a sense of place; HCT stations can often serve as gateways or focal points for neighborhoods.

Further, there is a growing demand among many people of different ages and incomes for mixed-use, walkable neighborhoods. Within the City of Redmond, only the Downtown offers this type of environment. It is likely that the combination of a mixed-use, walkable neighborhood, with various transportation options—HCT, traditional bus, and access to freeways—in the location of Overlake—directly between the downtowns of Redmond and Bellevue—will appeal to many future residents.

The lower land values found in the Mixed-Use Core relative to the Downtown is likely to be highly attractive to developers—lower land costs often increase the feasibility of making projects profitable. Since lower land costs generally capitalize into lower rents, potential residents who want to live in Redmond but cannot afford the cost of Downtown living may create significant demand for units in Overlake; this demand would be likely to increase as the neighborhood becomes more walkable.

City Actions to Attract Desired Development

There are various City investments and actions that can be taken to help attract new development and redevelopment efforts to this particular area. Some of these actions include the following:

- Provide infrastructure and invest in public improvements: Infrastructure improvements in the area may include sidewalks and lighting that are consistent with the Pedestrian Supportive or Pedestrian Place designations. Getting this infrastructure in place will improve the percep-

tion of walkability in the area and may be a signal to private developers that the City is serious about achieving the vision for the area. Investing in other public improvements such as a park, public art, or other pedestrian friendly places may also serve to attract developers and potential new residents or businesses.

- Improve the street grid: One of the largest challenges to this area becoming a highly walkable environment or achieving a Pedestrian Place designation, is the limited street grid which results in long blocks and contributes to high levels of traffic congestion. Refining this grid by providing more connections particularly in the east-west direction, would not only create shorter blocks, but would also potentially reduce some of the traffic on the existing arterials. The 36th Street SR 520 over-crossing project is likely to improve the traffic situation somewhat, but better internal connections are needed as well.
- Create a Public Relations Campaign for Overlake: This is recommendation came from the NewHomeTrends report. Although the City may be willing and hopeful for new development or redevelopment to occur in this area, developers are not aware of that desire or of the opportunities for redevelopment that may exist here. Creating a sense of place in the Mixed-Use Core and giving it a more creative name is likely to aid in the creation of an identity. Community identities are often used for branding an area, which helps to attract not only future residents and businesses, but also private developers. The City has already undertaken some interviews with stakeholders in the area, including developers, businesses and employees, and this outreach should continue in the future.

MIXED-USE CORE

The Shopping and Mixed-Use Core (hereafter, the Mixed-Use Core) is located in the southwest portion of the City of Redmond. It is bordered to the west, south and east by the City of Bellevue and connects with the rest of the Overlake Neighborhood to the north. The surrounding area of the Overlake Neighborhood is characterized by large office and campus style employment areas, with some multifamily developments and single family neighborhoods to the north and east of the Employment Area. The Bel-Red Neighborhood in Bellevue that extends to the west is largely light industrial, with some retail immediately adjacent to the Mixed-Use Core; the City of Bellevue is undertaking a similar study of the Bel-Red Neighborhood. Single family neighborhoods are dominant to the east of this core; these neighborhoods fall within the Overlake and Viewpoint Neighborhoods of Redmond and within the Crossroads Neighborhood of Bellevue. Access is provided to the area by SR 520 and the major arterials of 148th and 152nd Avenues NE (which run north-south) and NE 24th Street (which runs east-west).

The vision for the Mixed-Use Core is to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts will be located closer to the street as part of mid-rise (5 to 6-story), mixed-use developments, making the area more hospitable for pedestrians, bicyclists, and transit.

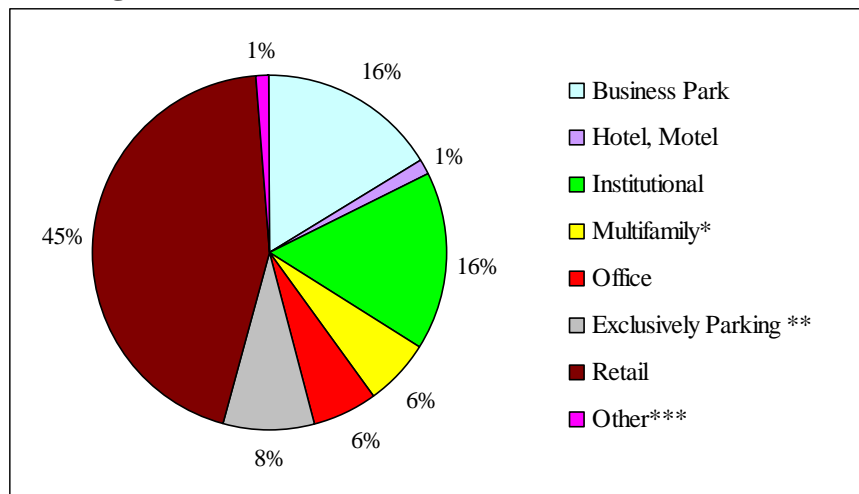
The following section contains information on the following aspects about the Mixed-Use Core: land use patterns (including land ownership, land and improvement values, and building ages); private projects in planning; zoning and development regulations (including existing and potential development under existing FARs); environmental features; transportation (including transit service and facilities, pedestrian and bicycle facilities, and traffic conditions and roadway plans); existing and planned utilities (including the water and sewer systems); parks, open space and the arts; other public projects in planning; and, needed infrastructure improvements required by developers.

Land Use Patterns

Redevelopment of an area is guided by zoning and also influenced by the existing land uses. Additionally, current land owners, land and improvement values and building ages may have an impact on redevelopment possibilities. Local land owners may be easier to work with due to their proximity. An area with a higher percentage of older buildings may be considered more ripe or likely for redevelopment than an area that was more recently developed. Clearly, land and improvement values are a driving force in the redevelopment process.

Much of the Mixed-Use Core is zoned Retail Commercial. A small portion surrounding the Group Health (Eastside) Hospital properties is zoned Overlake Design District. The purpose of this zone is to provide specifically for the hospital in the neighborhood. Map 1 depicts the land uses as they are located in the area. Retail land use exists on slightly more than one third of the parcels in the area. Other significant land uses in the Mixed-Use Core include small business parks (13% of parcels), institutions such as Group Health Hospital (15%), and right of way (23%). One lot, referred to as Brennan Park, is the only lot in the Mixed-Use area that is currently vacant. The lot does not have a primary use associated with it and contains no developed structures. It is owned by the Four Seasons Investment Group. The figure below further details the make-up of primary land uses in the area, excluding right of way.

Figure 1: Percentage of Land in the Mixed-Use Core Devoted to Particular Land Uses



*One of the parcels included in this category was noted INST-A (institutional with no structure). Its secondary use is MF. Because it contains 308 units, a significant amount in this area, it is categorized as MF for the purposes of this analysis.

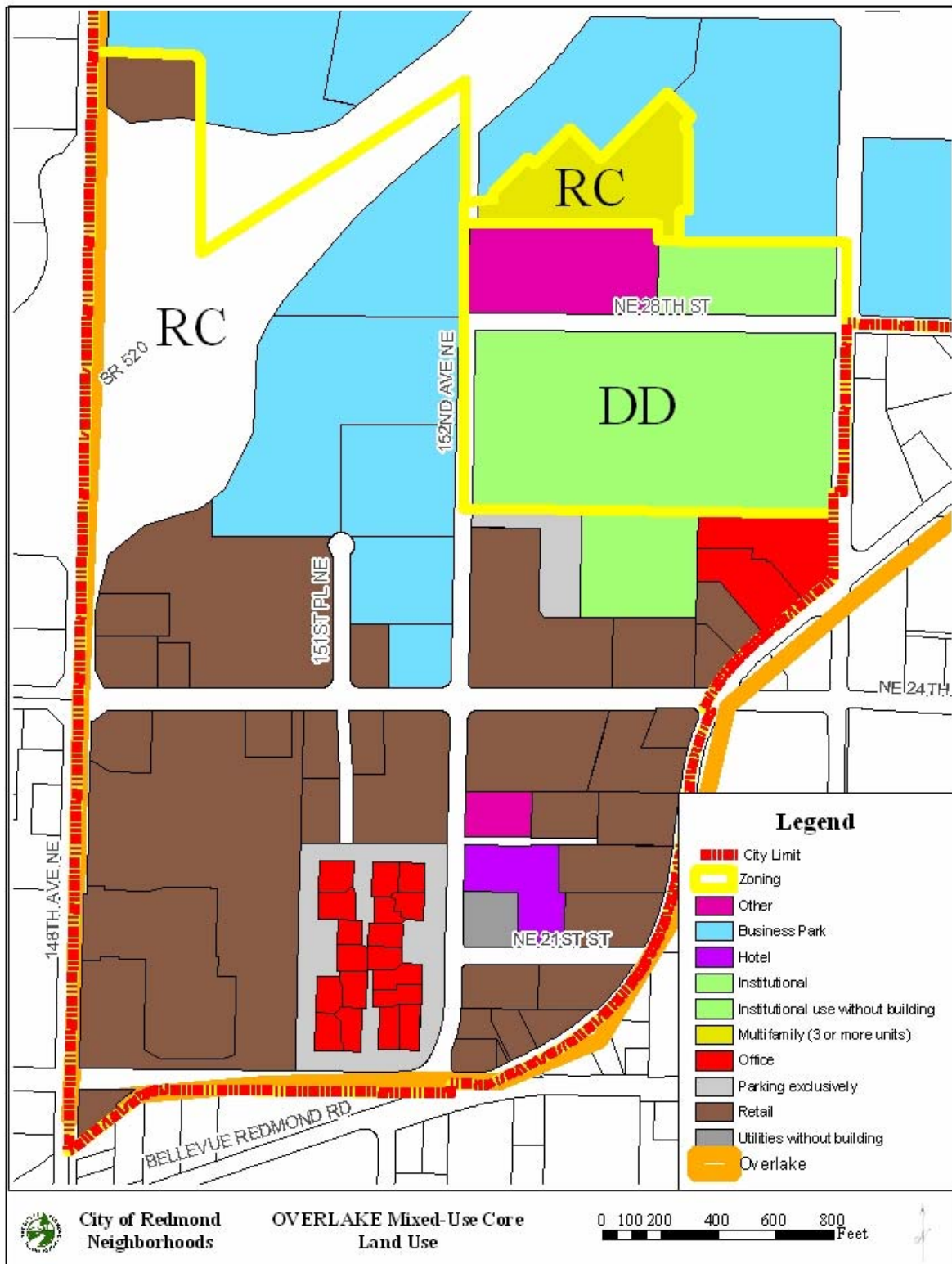
**One of the lots included in this category had a blank PRIMEUSE field in the data set but was noted as exclusively parking.

***Other includes vacant parcels and those noted UT-A (utility with no structure).

In terms of parcels, 32 are devoted to retail use, 20 to office, and 5 to business parks. The remaining 9 parcels are a mix of the other land uses in the area. Parcels designated as right-of-way were not included in this parcel total.

The Mixed-Use Core is home to a wide range of businesses including regional institutions such as Group Health Hospital, large retail stores, chain and local restaurants, and furniture shops,

Map 1: Mixed-Use Core Existing Land Use



among others. Stores specializing in furniture include Bassett, Ethan Allen, and Macy's Home Store. Larger retail outlets include Sears, Office Depot, Rite-Aid and Safeway. A number of financial institutions can be found there, such as Pacific First Bank, Puget Sound Bank, Bank of America, Washington Credit Union and Seattle First National Bank. Multiple businesses cater to the automobile, including Brown Bear Car Wash, Exotic Motors, Schucks Auto Supply, and Walt's Radiator/Muffler Service. Retail centers include Koll Retail Strip Mall, Overlake East Retail Center and Overlake Village, while business centers include Koll Commerce Center and Overlake Business Park. A wide range of restaurants can be found in the area; examples include Azteca, Kidd Valley, Red Robin, Round Table Pizza, Taco Bell, Wendy's, Sapporo Teriyaki, The Bento Box, Baja Fresh Mexican Grill, Damans Tavern, Fundidos, Georgios Subs, Starbucks Coffee, Miss Saigon Cuisine, and Milts Barbeque.

NE 24th Street is a primary retail corridor in the area.

The corridor along NE 24th Street can be seen as the main retail corridor in the area. A great number of businesses and services are located there including those in the table below and some of the businesses mentioned above, such as Safeway and Rite Aid.

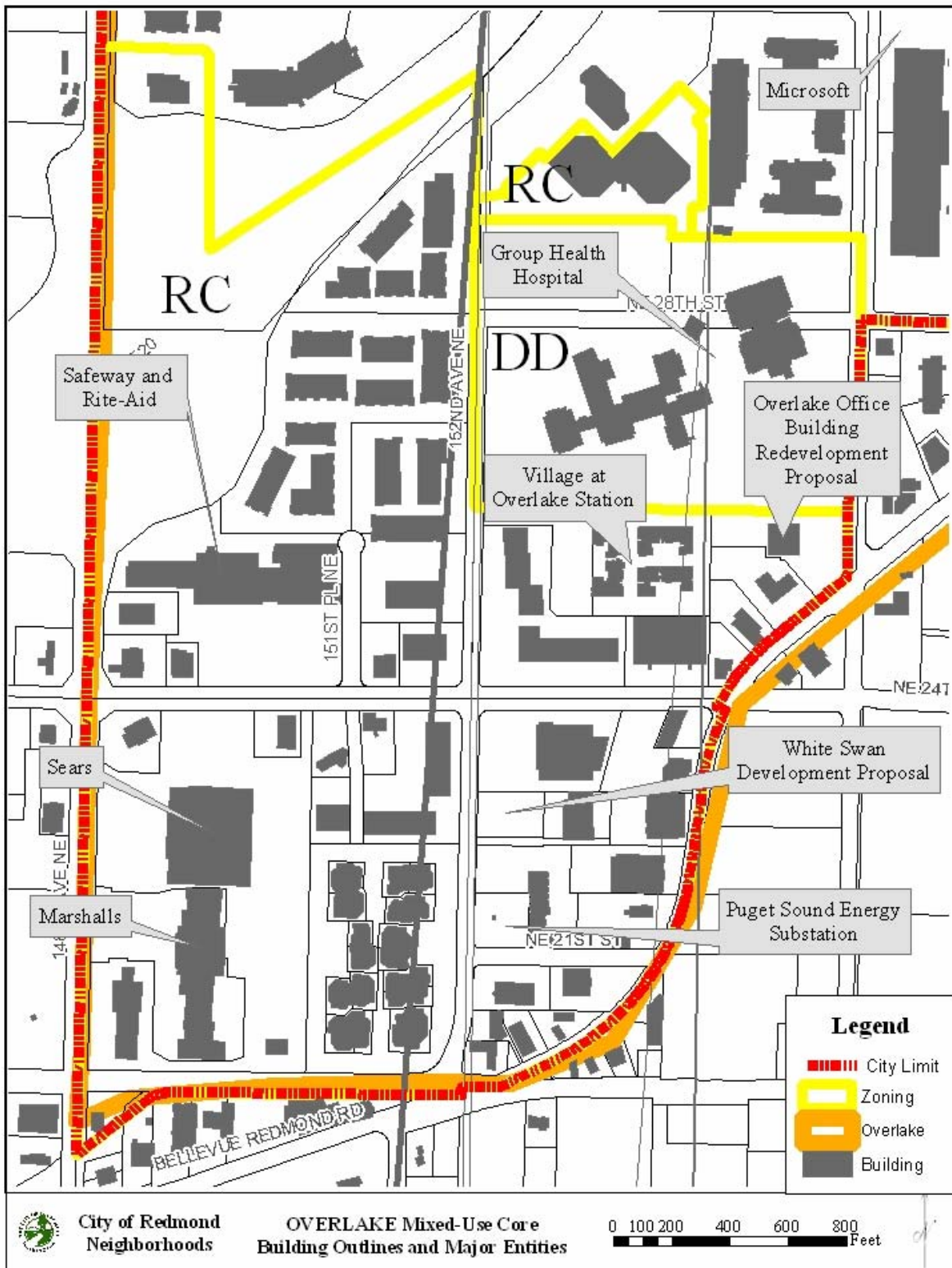
Table 1: Examples of Businesses Located on NE 24th Street from 148th to 152nd Avenues NE

A Child's Room	Oreck
Admiral of the Fleet Cruise Center	Overlake Cleaners
American Cancer Society Discovery Shop	Overlake Eye Designs
Arby's	Overlake Village Maytag Laundry
Bel-Red Chiropractic Wellness Center	Performance Bicycle
Diva Décor	Pho Hoa Restaurant
Elegant Affair Salon	Pony Express Mailbox and Business Center
Estate Furnishings	Queen Nails
Great Clips	Regent Bakery and Café
Jeem Asian Restaurant	Smokers Choice
Jersey Mikes Subs	Subway
Just PCs	Sun Cleaners
Keybank	Sutter Dental Care
Malay Satay Hut	Teapot Vegetarian House
Merchants Art and Paper	

Residential uses include "Overlake Terrace Assisted Living and Memory Care Community," an assisted living facility with 164 units, and the Village at Overlake, a Transit Oriented Development (TOD) containing 308 multifamily dwellings. The Village is above the Overlake Park and Ride and Transit Station. Human services include 2 daycare facilities, one at the Village at Overlake, while public facilities are limited to a Puget Sound Energy electrical substation.

Map 2 displays building footprints in the Mixed-Use Core and identifies key properties in the area.

Map 2: Mixed-Use Core Building Outlines and Major Entities



Land Ownership

The 66 parcels (excluding right of ways) in the Mixed-Use Core are owned by 53 individual owners. As noted in Table 2 below, over 88% of the land is owned by 19 individuals, corporations or groups. The three largest land owners are Group Health (approximately 20% of acreage in the area), Sears Merchandise Group (approximately 13%), and the Yett Family Partnership (approximately 16%). Group Health and Sears own the two largest properties in the area, at approximately 21 acres and 15 acres respectively. The Group Health properties fall within the Overlake Design District zone, while the Sears property is zoned Retail Commercial. Changes may be in store for the Group Health properties, as the Cooperative plans on moving hospital patients off-site in 2008 and is investigating alternative uses for the existing buildings. In February 2005, Regency Centers Corporation (RCLP) purchased the Overlake Fashion Plaza. RCLP is a qualified real estate investment trust that owns, operates and develops neighborhood and community shopping centers usually anchored by supermarkets; the Overlake Fashion Plaza, adjacent to Sears, is anchored by Marshall's.

Table 2: Property Owners who own 1 or more Acres in the Mixed Use Core

Property Owners who own more than 1 Acre in the Mixed-Use Area			
Owner	# Parcels	Acres Owned	Percentage
Group Health Coop	2	26	19.5%
Yett Family Partnership LP	5	22	16.4%
Sears Merchandise Group	1	15	12.6%
Overlake Mgmt Co	2	9	6.6%
First Washington Realty	3	7	4.9%
G Group LLC	2	6	4.5%
King County	2	5	3.7%
KCC Limited Edition	1	5	3.6%
Sterling Park Apartments	1	5	3.5%
Bank of America	3	3	2.5%
Overlake Square	1	3	2.2%
Mellon Trust of Washington	1	3	2.2%
Overlake Office Building LLC	1	2	1.5%
Silver Cloud Inns	1	2	1.4%
Ramos Properties LLC	1	2	1.2%
Fin-Hir Enterprises LLC	1	1	1.1%
Schayes R Milton MD	1	1	1.0%
Altig-Altig Agency	1	1	1.0%
Weichman Jack A & Geraldine M	1	1	0.9%
Total	31	119	88.7%

A majority of property owners possess only one parcel. Nine property owners own more than one parcel, with the Yett Family Partnership owning a total of five individual parcels, the most held by a land owner in the area. A majority of the entities that own more than one parcel own adjacent parcels; Bank of America, First Washington Realty and the Yett Family Partnership are

the only owners whose multiple parcels are not adjacent to one another. First Washington Realty's parcels are all in the same block, but are separated by the area owned by Sears Merchandise Group. Map 3 depicts the ownership pattern of those land owners who hold one or more acres of property in the area.

Table 3: Location of Mixed-Use Core Property Owners

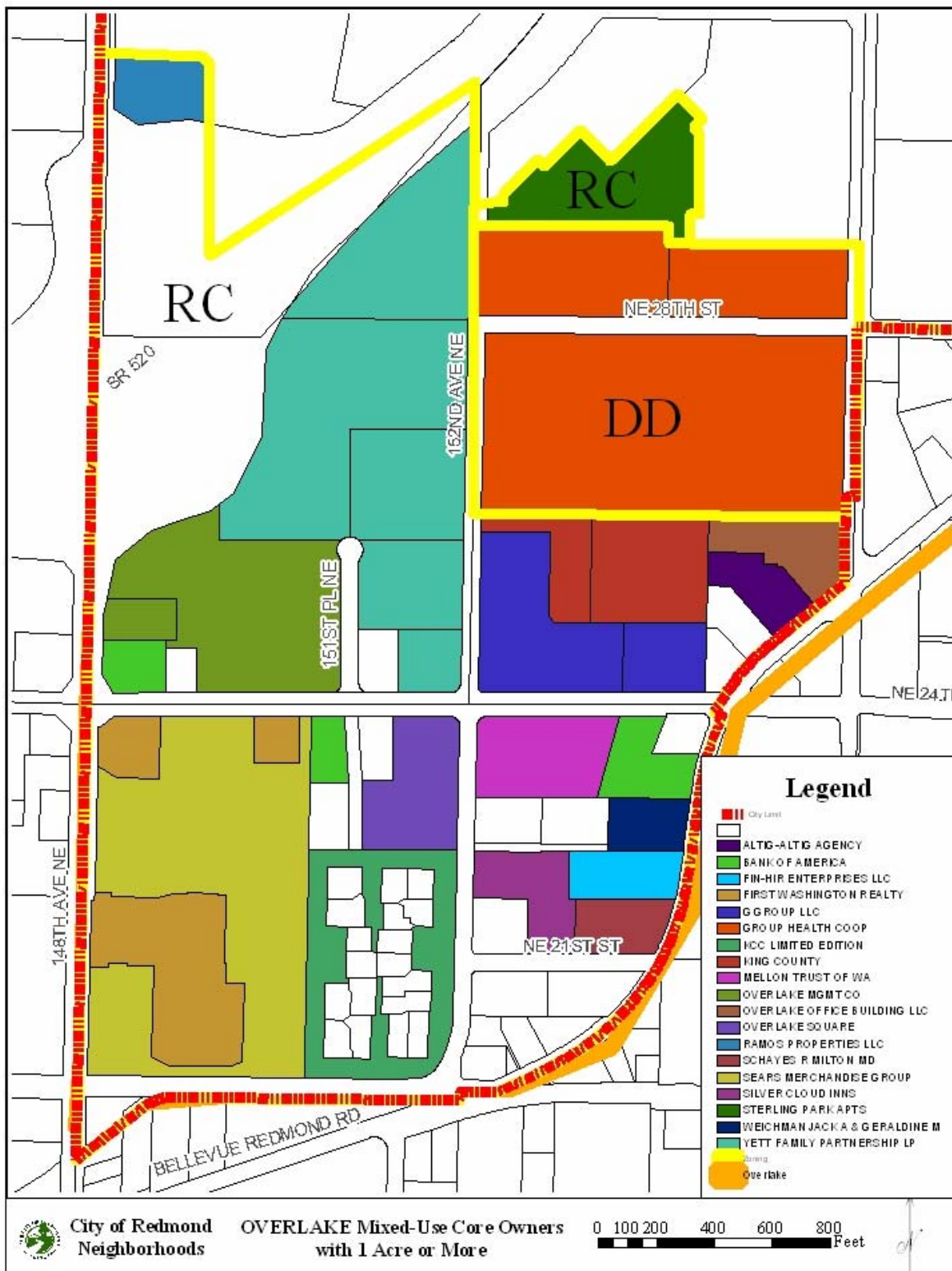
State of Owner	# of Owners
AZ	1
CA	2
GA	1
IL	1
KY	1
MA	1
MD	1
OR	1
TX	2
WA	42
City of In-State Owners	# of Owners
Bellevue	18
Bellingham	1
Mill Creek	1
Redmond	12
Seattle	8
Tukwila	1
Woodinville	1

Table 3 above describes the location of the various land owners in the area. A majority of the land owners can be found in the state of Washington. Of those in-state owners, 12 have addresses in Redmond, 18 in Bellevue, and 8 in Seattle. The others are scattered across Western Washington. Map 4 displays which properties are owned by entities in-state and out-of-state.

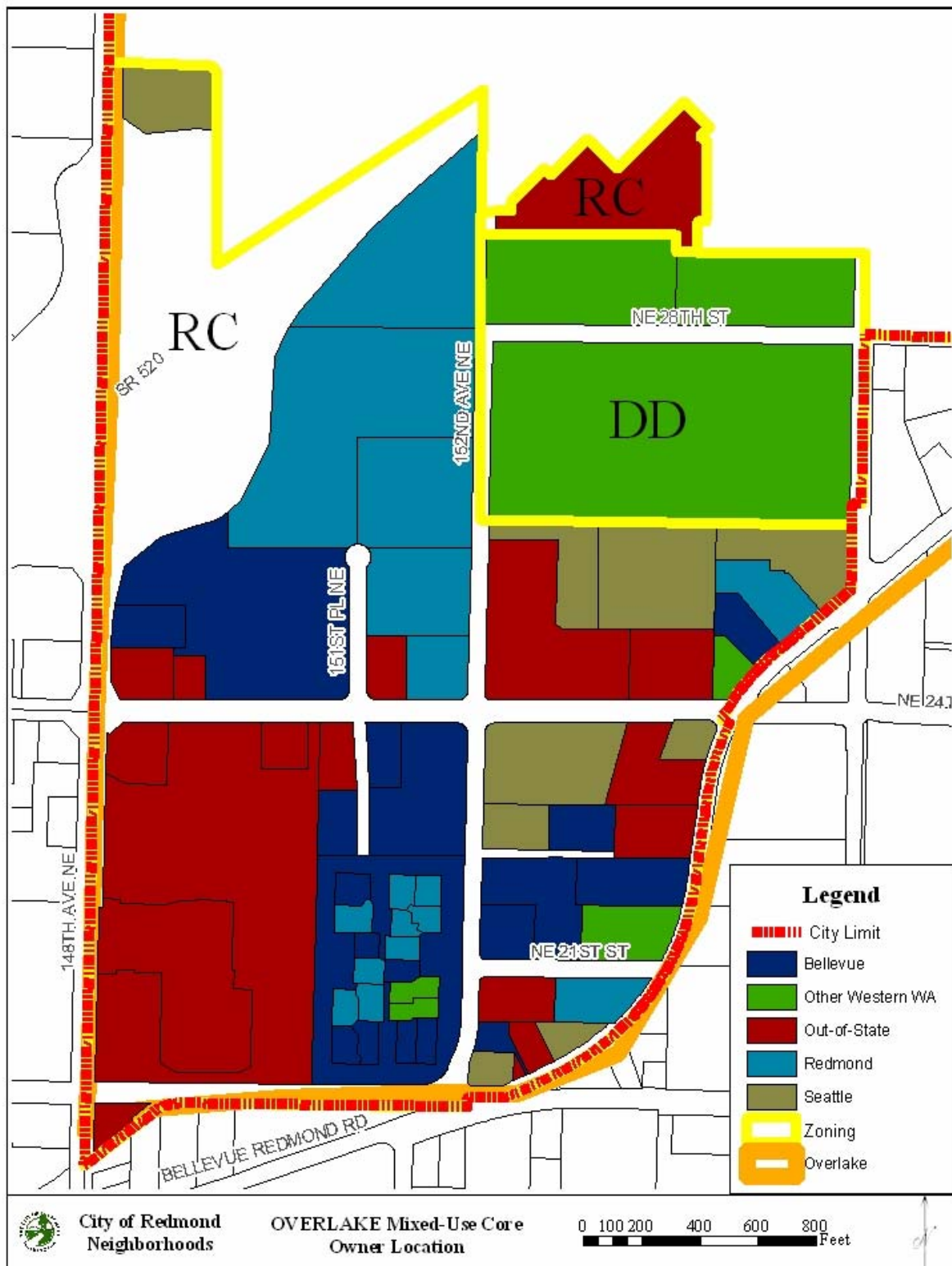
Half of the owners that hold more than 3 acres in the Mixed-Use Core are located outside of Washington State. These property owners include Bank of America (Alpharetta, Georgia), First Washington Realty (Bethesda, Maryland), G Group LLC (Eugene, Oregon), and Sterling Park Apartments (Boston, Massachusetts). Local owners who hold more than 3 acres in the Mixed-Use area include King County (Seattle), Overlake Management Co. (Bellevue), KCC Limited Edition (Bellevue), and the Mellon Trust of Washington (Seattle). Of the three largest land owners, only Sears Merchandise Group is located out of state (Illinois); Group Health Coop is based in Tukwila, and the Yett Family Partnership uses a Redmond address.

Half of the owners that hold more than 3 acres in the Mixed-Use Core are located outside of Washington State.

Map 3: Mixed-Use Core Owners with 1 Acre or More



Map 4: Mixed-Use Core Owner Location



Land and Improvement Values

Approximately one quarter of the properties have an assessed land value of \$100,000 to \$200,000. Ten other properties are valued at \$500,000 to \$600,000. Table 4 describes the distribution of properties based on the assessed value of land. The land of two properties is valued at over \$10 million—Sears at the Overlake Fashion Plaza has an assessed land value of \$10.3 million and the Group Health Hospital has an assessed land value of \$16.8 million. These two properties are also the largest in the area, by acreage.

Approximately one quarter of properties here with improvements have structures assessed at \$1 million to \$2 million. Two properties have improvements that are valued at over \$32 million—the Village at Overlake Station has an assessed improvement value of \$32.4 million and the Group Health Hospital has an assessed improvement value of \$44 million. Table 5 below describes the distribution of properties based on the assessed value of improvements.

A better measure of land value in the area is value per square foot of land. Table 6 below details the distribution of properties based on the assessed land value per square foot. As this chart shows, approximately 91% of parcels in the area have an assessed land value per square foot of \$15 to \$19.99. The average assessed land value per square foot for the Mixed-Use Core is \$16.99. Only 1 parcel has a land value per square foot of less than \$15: the parking lot of Koll Commerce Center is valued at \$12.88 per square foot. The 4 parcels valued between \$20 and \$24.99 per square foot include the Bank of America drive-through facility, the Overlake Village Shopping Center, the former Coco's Restaurant parcel, and Red Robin. The highest land value of this measure is found at the Taco Bell parcel, which is valued at \$28.74 per square foot.

Approximately 91% of parcels in the area have an appraised land value per square foot of \$15.00 to \$19.99.

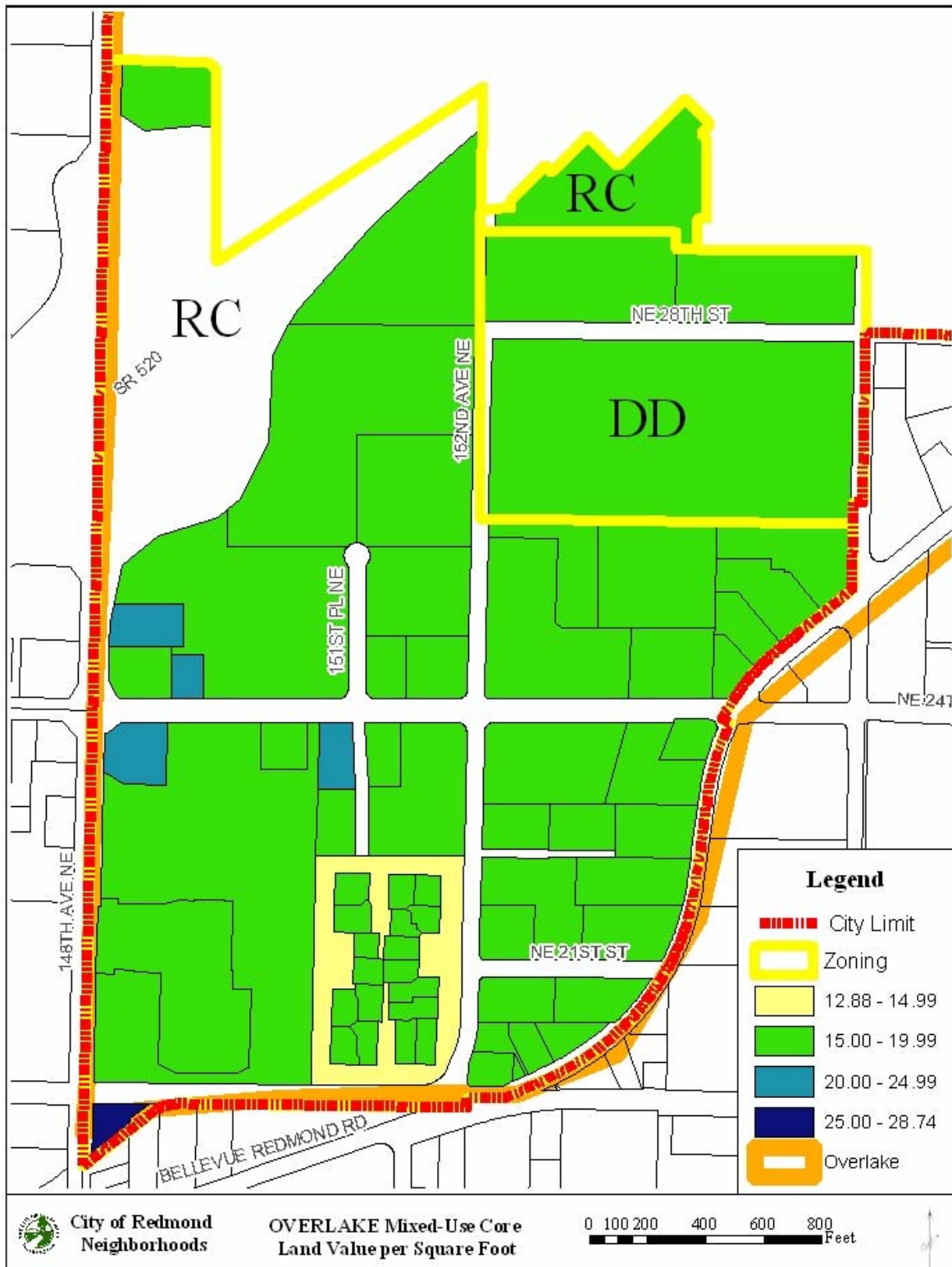
Approximately 40% of the parcels have improvements valued at \$50.00 to \$99.99 per square foot, while one third of the parcels have improvements valued at \$150.00 to \$199.99 per square foot.

The assessed value of improvements per square footage of building space can also be a useful measure. Table 7 below details the distribution of those properties with buildings based on the assessed improvement value per square footage of improvement. Ten parcels were left out of this calculation: 5 that have no improvements and five for which square footage data is missing including the multi-family structures, the Bank of America drive-through, and the Puget Sound Energy substation. Approximately 40% of the parcels with buildings have improvements valued at \$50.00 to \$99.99 per square foot, while one third of the parcels have

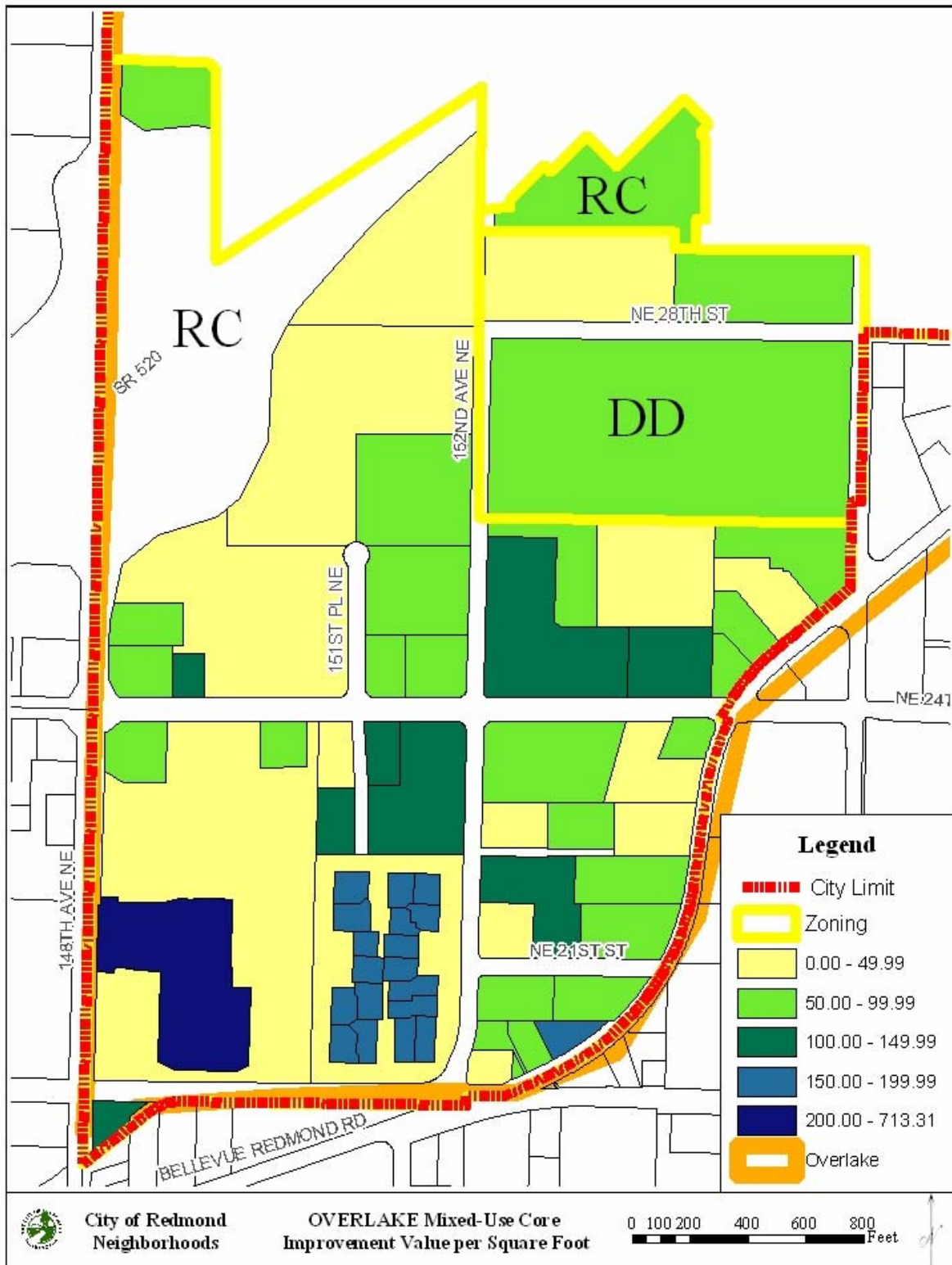
improvements valued at \$150.00 to \$199.99 per square foot. The Overlake Fashion Plaza has an improvement value of \$713.31 per square foot, the highest dollar value in the study area. This property does not include the Sears building. The average assessed improvement value per square foot for the Mixed-Use Core is \$102.52.

Maps 5, 6, and 7 depict the value of land, value of improvements and ratio of improvement value to land value respectively.

Map 5: Mixed-Use Core Land Value per Square Foot



Map 6: Mixed-Use Core Improvement Value per Square Foot



Map 7: Mixed-Use Core Ratio of Improvement Value to Land Value

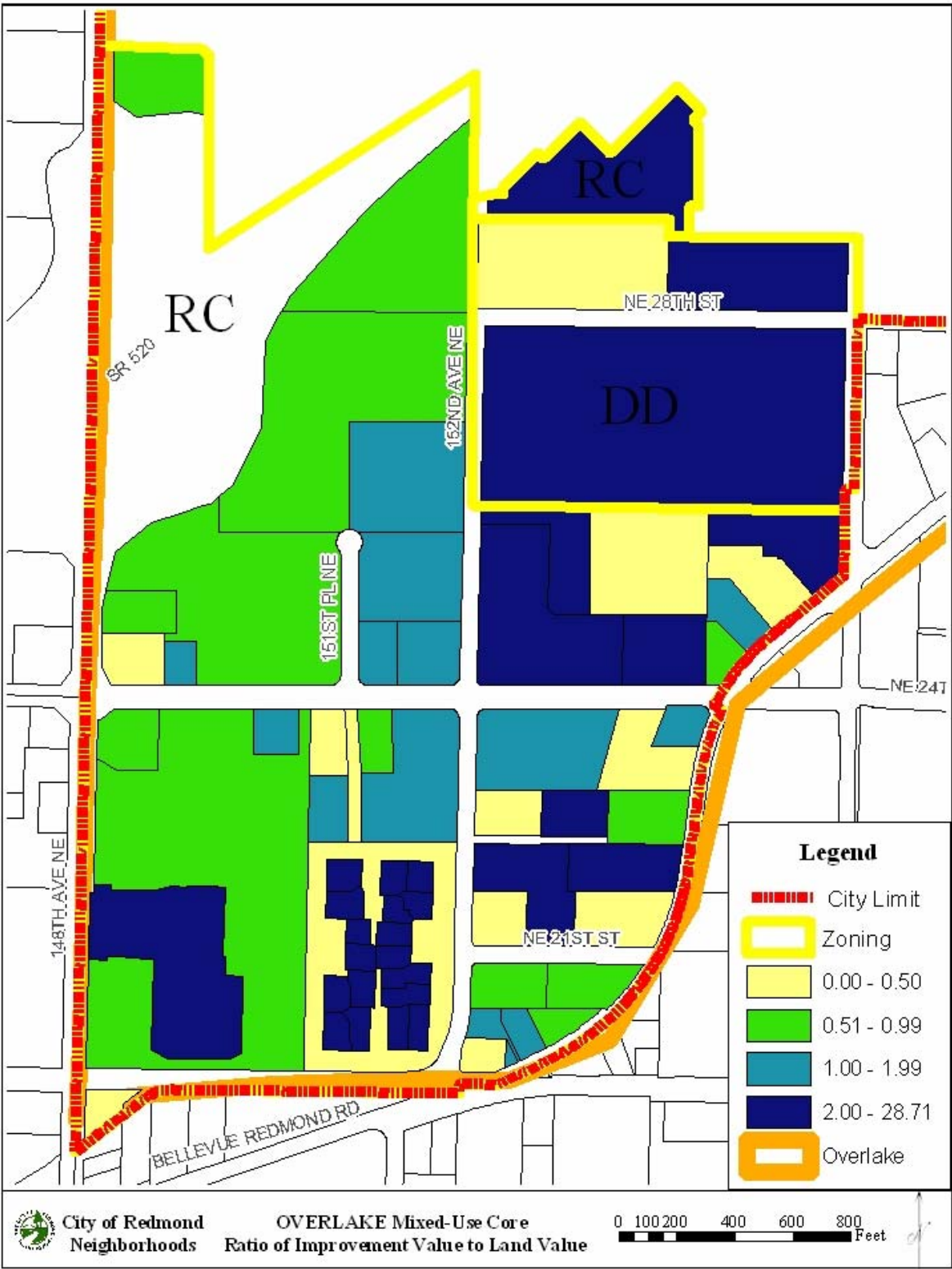


Table 4: Assessed Value of Land

Range	# of Properties
Under \$100,000	1
\$100,000 - \$199,999	16
\$200,000 - \$299,999	5
\$300,000 - \$399,999	4
\$400,000 - \$499,999	0
\$500,000 - \$599,999	10
\$600,000 - \$699,999	2
\$700,000 - \$799,999	2
\$800,000 - \$899,999	2
\$900,000 - \$999,999	3
\$1,000,000 - \$1,999,999	8
\$2,000,000 - \$2,999,999	5
\$3,000,000 - \$3,999,999	4
\$4,000,000 - \$4,999,999	1
\$5,000,000 - \$5,999,999	0
\$6,000,000 - \$6,999,999	2
Over \$10,000,000	2
Total	67

Table 5: Assessed Value of Improvements

Range	# Of Properties
\$0	5
Under \$100,000	2
\$100,000 - \$199,999	1
\$200,000 - \$299,999	5
\$300,000 - \$399,999	2
\$400,000 - \$499,999	3
\$500,000 - \$599,999	6
\$600,000 - \$699,999	1
\$700,000 - \$799,999	2
\$800,000 - \$899,999	7
\$900,000 - \$999,999	1
\$1,000,000 - \$1,999,999	15
\$2,000,000 - \$2,999,999	4
\$3,000,000 - \$3,999,999	2
\$4,000,000 - \$4,999,999	4
\$5,000,000 - \$5,999,999	1
\$6,000,000 - \$6,999,999	1
\$7,000,000 - \$7,999,999	2
\$8,000,000 - \$8,999,999	1
Over \$32,000,000	2
Total	67

Table 6: Value of Land per Square Foot

Range	# of Properties
\$10 - \$14.99	1
\$15 - \$19.99	60
\$20 - \$24.99	4
\$25 - \$29.99	1
Total	66

Table 7: Value of Improvement per Building Square Foot

Range	# Of Properties
\$0 - \$49.99	8
\$50.00 - \$99.99	24
\$100.00 - \$149.99	8
\$150.00 - \$199.99	19
Over \$700.00	1
Total	60

Finally, the ratio of improvement value to land value is given in Table 8 below. Properties with a ratio of improvement value to land value of less than 0.5 are generally considered potential candidates for infill or redevelopment. In the case of the Mixed-Use Core of Overlake, 13 properties fall into this category—a total of approximately 17 acres. Those lots with a ratio of 0.0 include the Overlake Park and Ride, a vacant Group Health property, two parcels in the Koll Commerce Center (Lot 19, parking, and Tract A, right of way), the Bank of America drive-through, and the vacant lot on 152nd that currently has an associated development proposal. Other parcels with an improvement to land value ratio of less than 0.5 include the Puget Sound

13 properties have a ratio of improvement value to land value of less than 0.5—totaling approximately 17 acres of the Mixed-Use Core.

Energy power substation, the two remaining Bank of America properties, Mi Mexico/Wendy's, Overlake Auto Center, Taco Bell and the America Income Life Building. The Sears building has a ratio of only 0.52. Including the Sears property brings the total acreage that could be considered for infill or redevelopment to 18.54, or approximately 14% of land in the Mixed-Use Area. It is unlikely, however, that the Overlake Park and Ride, Puget Sound Energy, or Koll Commerce Center right of way parcels could be redeveloped. The parcel containing the Village at Overlake Station actually has the highest ratio of improvement value to land value, at over 28.

Table 8: Ratio of Improvement Value to Land Value

Range	# Of Properties
Under 0.5	13
0.5 – 0.99	13
1.0-1.99	14
Above 2.0	28

Virtually all of the properties in the Mixed-Use Core are taxable. There are five exceptions, including the properties owned by Group Health Cooperative (2 parcels), Puget Sound Energy and King County (2 parcels).

Building Ages

The earliest date shown for development of existing structures in the Mixed-Use Core is 1966. Two parcels were developed that year, including the American Income Life Building, currently owned by the Altig-Altig Agency, and the Overlake Auto Center, currently owned by Isaac S

A significant majority of the building development in the area occurred in the 1970s, both in terms of square footage built and number of parcels developed.

Barch. As Figures 2 and 3 below illustrate, a significant majority of the development in the area occurred in the 1970s, both in terms of square footage built and number of parcels developed. Map 8 illustrates the year each property was developed. The year 1979 saw the highest level of development: 22 parcels had buildings constructed or added to totaling 457,172 square feet of built space. The last building construction or improvement to existing buildings in the area was in 2001 when the Village at Overlake Station was completed. The average age of structures in the Mixed-Use Core is 25 years.

Figure 2: Percentage of Square Footage Built in the Mixed-Use Core Each Decade

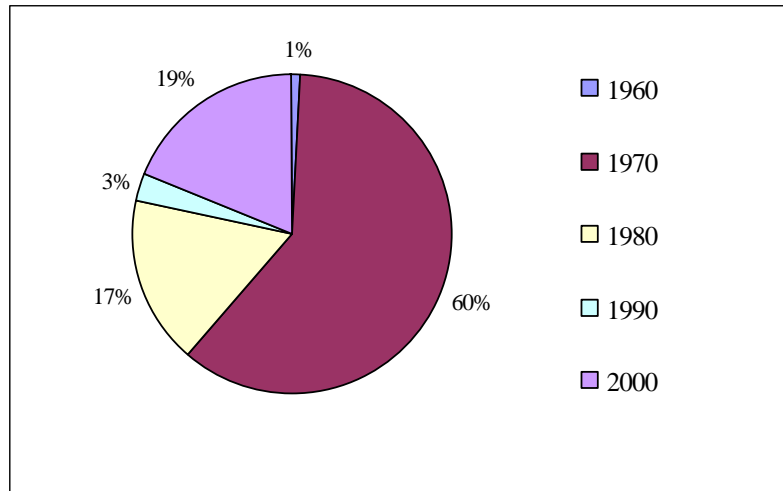
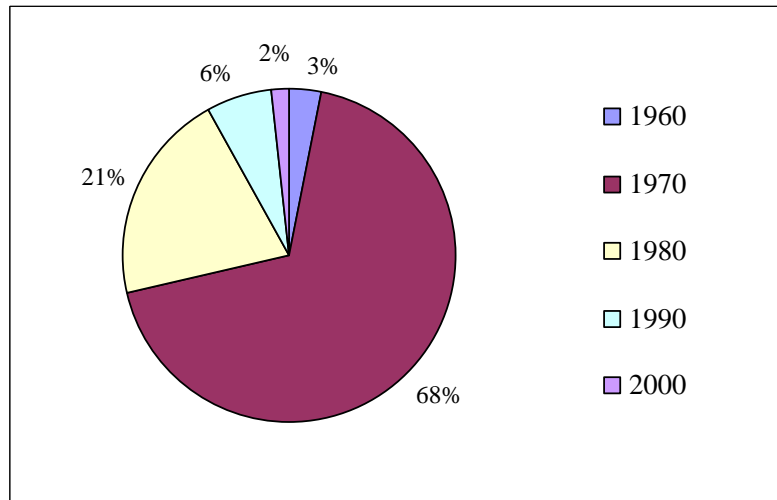
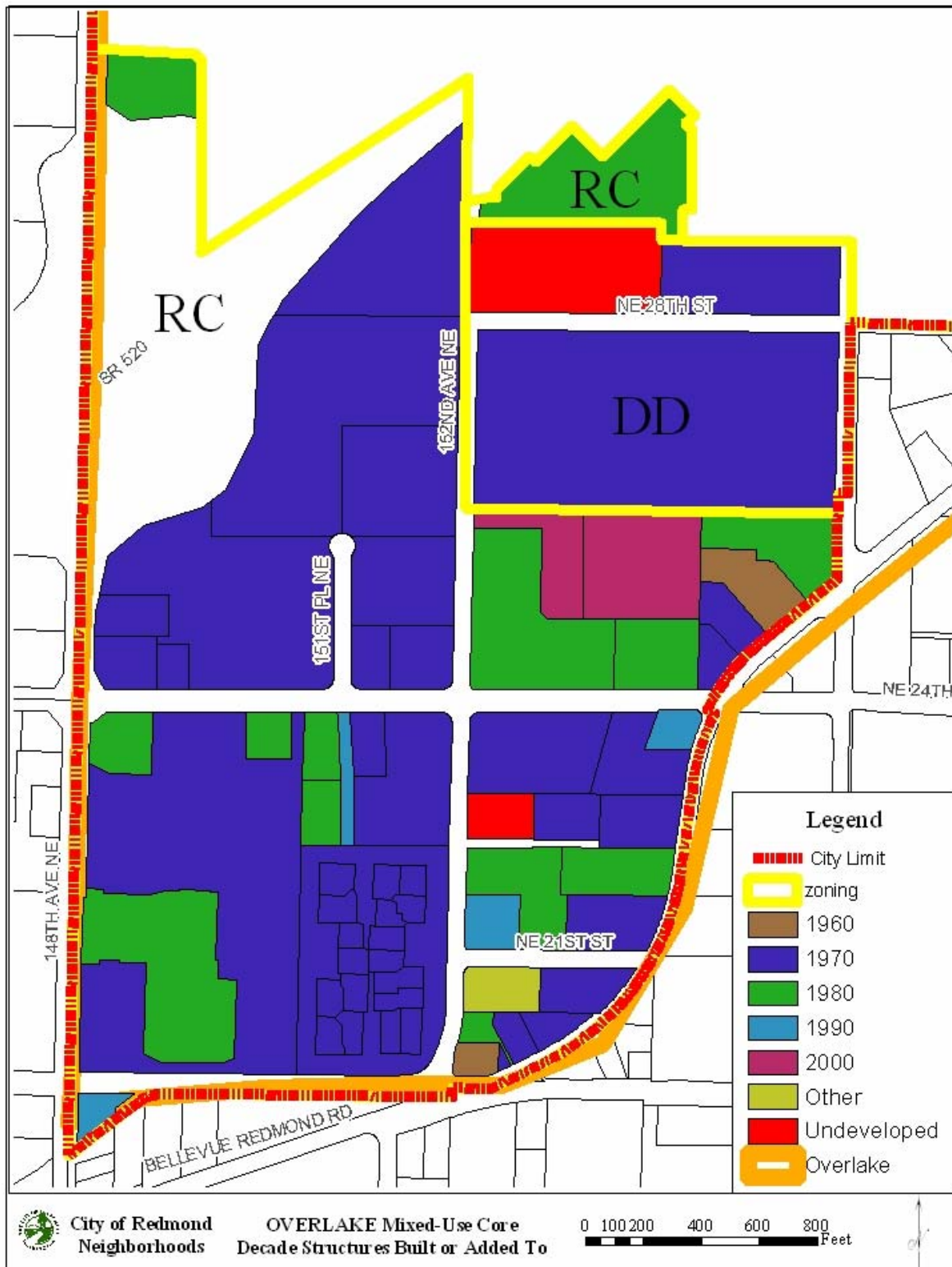


Figure 3: Percentage of Parcels Developed in the Mixed-Use Core Each Decade



Map 8: Mixed-Use Core Decade Structures Built or Added To



Private Projects in Planning

Two private projects have been proposed for properties within the Mixed-Use Core. One of these projects has a year-long history that includes an appeal recently decided by the Hearings Examiner and the other is a new proposal that has not yet gone to the Technical Committee. These properties are identified on Map 2.

Two private projects are proposed for the Mixed-Use Core: one for an unspecified mixed-use building and another for a mixed-use retail/residential building on a currently vacant parcel.

The first project proposal is for the Overlake Office Building Short Plat at 15446 Bel-Red Road. The site is approximately 2 acres in size in the Retail Commercial zone with 1 large building, the Overlake Office Building, currently existing. James Potter, the property manager and developer, has applied to expand and redevelop the property, while keeping the current building. The application as submitted was denied in September 2004 due to failure to comply with several development regulations; specifically, the existing building would exceed the

permitted FAR for its lot, insufficient parking exists, impervious surfaces exceeded the maximum, required landscaping was not included, and the existing building did not meet the front set back requirement for the new lot on which it would exist. The Hearing Examiner granted the developer's appeal, giving the developer 60 days, beginning July 13, 2005, to reapply.

As mentioned above, a new development proposal is associated with the vacant lot at 2222 152nd Avenue NE, previously known as Brennan Park. This proposal, by Driscoll and Associates, is for a 4-story mixed use development including over 11,000 square feet of retail space, 38 condo units, and at- and below-grade parking for a total of 100 vehicles. The White Swan, as the development is titled, would include a driveway on 152nd Avenue to provide access to the lot and new trips are estimated at 579 daily with only 26 in the morning peak hour and 43 in the afternoon peak hour.

Zoning and Development Regulations

Development in the Mixed-Use Core is guided not only by zoning, but also by standards related to height, impervious surface cover, minimum lot frontages, building setbacks, minimum landscaping, minimum parking, and other requirements. Table 9 below describes these standards for the area.

Table 9: Redmond Community Development Guide Standards for Mixed-Use Core

Standard	Retail Commercial Zone
Max Height	Non-Residential Buildings: 4 stories or 52 feet, whichever is less Mixed-Use or Single use Residential Buildings: 5 stories or 60 feet, whichever is less A 6-story building may be achieved by purchasing TDRs
Max Impervious Surfaces	85%
Min Lot Frontage	30 feet
Building front and street setbacks	15 feet On 152 nd Ave NE, min 10 feet, max 20 feet due to Green Street designation
Rear and side setbacks	0 feet
Min Landscaping	15% of site area
Off-street parking min	1.2 spaces/studio – 2 spaces/3+ bedrooms
Other	Ground floor window and pedestrian standards apply

The RC zone provides for a broad variety of retail, commercial, service, professional office and office uses and also encourages residential uses. The Redmond Community Development Guide (RCDG) notes that residential uses are particularly encouraged along 152nd Avenue NE where the Housing Emphasis Area exists. A Housing Redevelopment Overlay is applied to the part of the Housing Emphasis Area that is most likely to redevelop; its use and setback requirements are designed to make this area attractive to and compatible with residential uses. Certain uses that are permitted in the RC zone are excluded from the Housing Redevelopment Overlay, including public assembly uses; building materials, garden supplies, or hardware centers; general merchandise, factory outlets or regional retail stores; drive-throughs; gas stations; and, new and used vehicles or auto parts and accessories. These standards express the community objective of including a substantial number of residences in the area, either as part of mixed use developments or in buildings used entirely for housing.

Residential uses are encouraged along 152nd Avenue NE, either as part of mixed-use developments or in purely residential buildings.

Landscaping is required in this zone not only because it is attractive, but because it also helps to soften the effects of built and paved areas. It can help reduce storm water runoff by providing a surface into which storm water can percolate. Further, landscaping provides buffering and promotes the livability of residential areas. Up to one third of the required landscaped area may be improved for active or passive recreational use or for use by pedestrians. These improvements can include walkways, play areas, plazas, picnic areas, or unenclosed recreational areas.

Any parking lot adjoining 152nd Avenue NE, the sidewalk on which the Housing Emphasis Area is located, is required to have a 10-foot-wide landscaped area between the street and the parking lot. The landscaping shall allow people to see into the parking lot from 2.5 feet to 8 feet above the finished grade.

Other requirements that apply to development in the Mixed-Use Core include ground floor window requirements and standards related to the pedestrian environment. In this area, blank walls on the ground level of buildings are limited in order to: provide a pleasant, rich and diverse pedestrian experience by connecting activities occurring within a structure to adjacent sidewalk areas; encourage continuity of retail and service uses; encourage surveillance opportunities by restricting fortress-like facades at streets level; and, avoid a monotonous pedestrian environment.

Specific requirements related to window standards include:

- Windows are required to be at least 50 percent of the length and 25 percent of the ground level wall area. Ground level wall areas include all exterior wall areas up to 9 feet above the finished grade. This does not apply to walls of residential units or to parking structures when set back at least 5 feet and landscaped.
- Required window areas must be either windows that allow views into working areas or lobbies, pedestrian entrances, or display windows set into the wall.
- Public art may be considered for adjustments to the ground floor window provision.

Pedestrian standards encourage a safe, attractive, and usable pedestrian circulation system in all developments. They ensure a direct pedestrian connection between the street and buildings on the site and between buildings and other activities within the site. In addition, they provide for connections between adjacent sites, where feasible.

Within the RC zone, TDRs may be granted for pedestrian plazas that comply with a number of requirements, including, but not limited to, those below:

- Plaza open to public during daylight.
- Plaza adjacent to and open to a public street and sidewalk on at least one side.
- At least 30% of plaza area is covered by trees.
- Plaza provides seating for at least 20 people. At least some moving chairs must be included.
- Plaza not to be used by motor vehicles for any purpose, other than maintenance.
- Plaza cannot be bordered by a drive-in lane on any side.

For each square foot of plaza that meets the requirements outlined in the RCDG, one square foot of TDR is granted. No more than 2 TDRs (a total of 17,424 square feet) can be granted for a

single development. The TDRs can be used for any purpose on the property providing the plaza or on an adjacent parcel under the same ownership.

Existing and Potential Development under Existing FARs

One key factor for development potential is the allowed Floor-Area Ratio (FAR). In the Mixed-Use Core, two FARs for non-residential space apply: the current maximum FAR in the Retail Commercial (RC) zone is 0.36 while the maximum FAR of 0.40 applies to the Overlake Design District (ODD). Property owners or developers who secure Transferable Development Rights (TDRs) are allowed to build to a higher FAR. The increased FAR for those with TDRs is 0.41 and 0.46 for the RC and ODD zones respectively.

Much of the ODD and the small area zoned RC to the north of it also fall within a Minimum FAR Overlay area: the minimum FAR for this area is 0.35. This Overlay is 1000 feet wide measured from the NE 156th Avenue right-of-way closest to the property and is depicted in Map 24. The purpose of the Minimum FAR is to encourage development at an intensity that will support transit along areas of all-day transit service near the Overlake Transit Center.

A separate FAR for residential space exists. In the RC zone, the maximum FAR for residential uses in single-use or mixed-use buildings is 2.5—considerably higher than that for other uses in this area. This will be increasingly important as the area has much potential for helping Redmond achieve its housing goals for the future. Currently, only 2 parcels contain housing in the Mixed-Use Core, as described above. The Village at Overlake has the highest FAR in the area—1.12—while the Overlake Terrace Assisted Living and Memory Care Community has an FAR of only 0.54. A tremendous amount of capacity for residential use exists in the neighborhood—if every parcel was redeveloped with housing, either as single-use or mixed-use buildings, approximately 12,000 residential units could be constructed, assuming an average unit size of 1,000 square feet. This is unlikely to occur, but highlights the capacity that exists for housing within just the Mixed-Use Core.

The maximum FAR for residential uses in the ODD is the same as that for the OV zone of the rest of the Overlake Neighborhood: 0.68. Here, residences are allowed in upper stories where no adverse impacts to surrounding businesses or residences are identified. Updated land use policies in 2005 call for allowing free standing residential buildings. These regulations could be updated in 2006. Multi-use buildings may combine the allowed FARs for residential and non-residential.

Some properties have a developed FAR over the maximum allowed FAR for non-residential uses. This is related to a change in the development regulations for these zones. In 1999, the Overlake Neighborhood Plan was revised and established a maximum allowed FAR for the RC zone. Before this revision, no maximum FAR was specified for much of what is now the Mixed-Use Core. For those areas in the Mixed-Use Core that fell under the former Business Park zoning, the maximum allowed FAR applied was 0.45, or 1.0 with TDRs. Only a building height limit applied to other areas of the Mixed-Use Core; in what is now zoned Retail Commercial, the maximum building height allowed was 4 stories, and in what is now zoned Overlake Design District, the maximum building height allowed was 6 stories. A height maximum still exists in the

area—building heights must be 45 feet or 3 stories, whichever is lower—and the allowed maximum FAR serves as an added building regulation. The purchase of TDRs allow for an added floor.

Within the Mixed-Use Core, 5 properties do not contain improvements and 2 are unlikely to be redeveloped (Overlake Park and Ride and the Puget Sound Energy Substation), as noted above. Besides the parking lot at the Park and Ride, only one other parcel serves exclusively as parking for other parcels: the parking lot at Koll Commerce Center. The average developed FAR is 0.40. Tables 10 through 12 below describe the distribution of developed FARs in the Mixed-Use Core and whether these are under, over or meet the allowed maximum FARs and the allowed maximum FARs with TDRs established in the two zones. As shown in Table 10, a majority of the acreage in the Mixed-Use Core is developed to an FAR of between 0.2 and 0.59.

This information is also depicted in Map 9. It is important to consider that some parcels that are developed under the maximum allowed FAR contain parking spaces for not only the development on that site, but also for surrounding parcels. Parking requirements may explain why so many parcels are relatively underdeveloped.

Table 10: FARs for Existing Developed Properties

FAR Range	# of Properties	# of Acres
0.0 - 0.19	16	24
0.2 - 0.39	18	44
0.4 - 0.59	9	53
0.6 - 0.79	19	8
0.8 - 0.99	1	2
Over 1.0	1	3

Table 11: Developed Properties Compared to Allowed FARs

Allowed FAR	# of Properties
Under	37
Meet	2
Over	27

Table 12: Developed Properties Compared to FARs with TDRs

Allowed FAR w/TDR	# of Properties
Under	40
Meet	0
Over	26

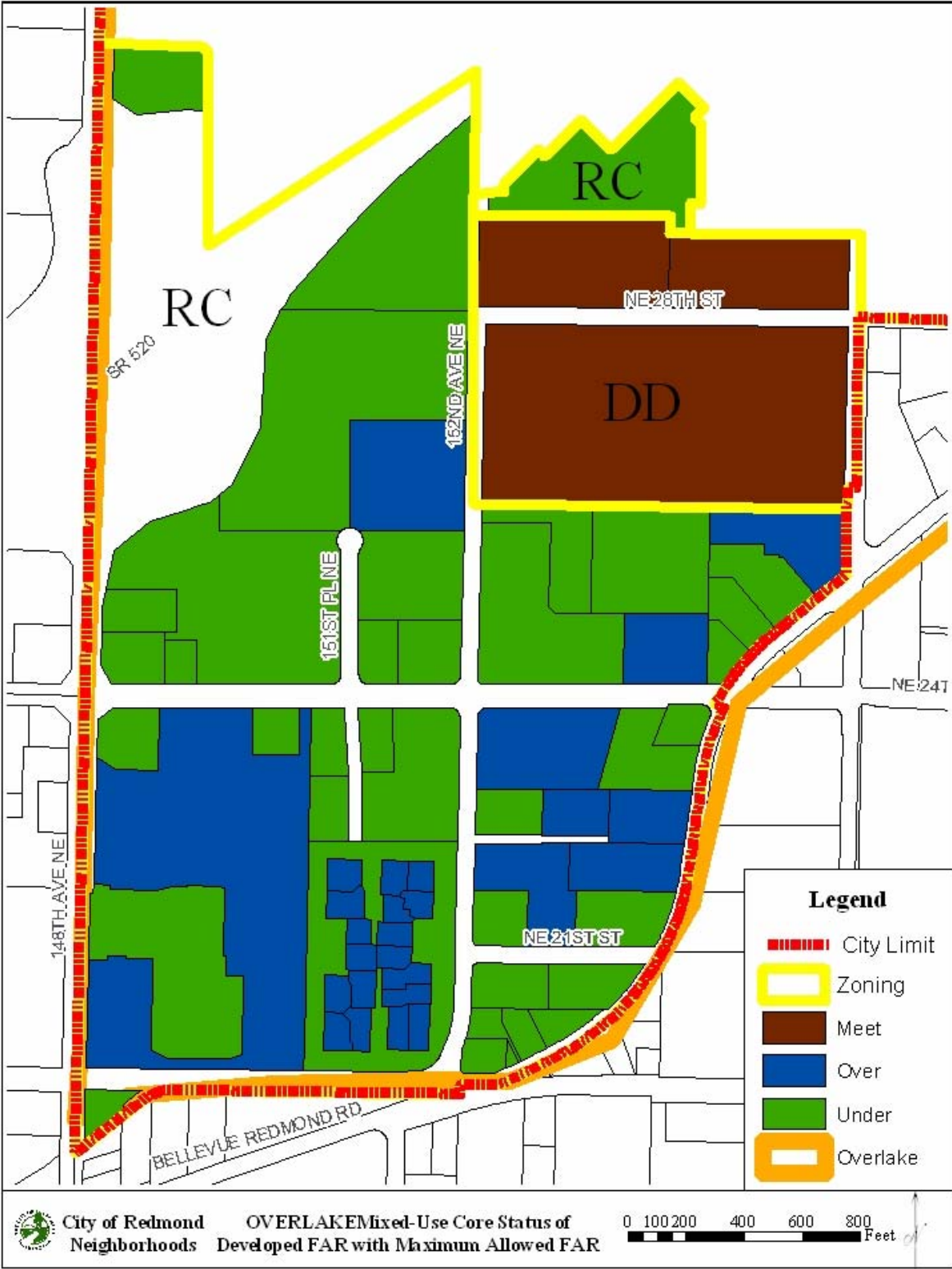
Developed commercial square footage in the Mixed-Use Core totals 2,203,065 square feet. This is over the total that would be allowed by the maximum allowed FAR without TDRs—2,132,247 square feet—and only slightly under the maximum allowed FAR with TDRs—2,463,944 square feet. This result is most likely due to the change in allowed FAR in the 1999 neighborhood plan update. Of the properties that have not been developed to their full allowed FAR, a potential capacity of 1,071,190 commercial square feet exists under the maximum allowed FAR without TDRs and a potential of 1,301,056 commercial square feet exists under the maximum allowed FAR with TDRs.

Developed commercial square footage is over the total that would be allowed by the maximum allowed FAR without TDRs—2,143,863 square feet—and only slightly under the maximum allowed FAR with TDRs—2,463,944 square feet.

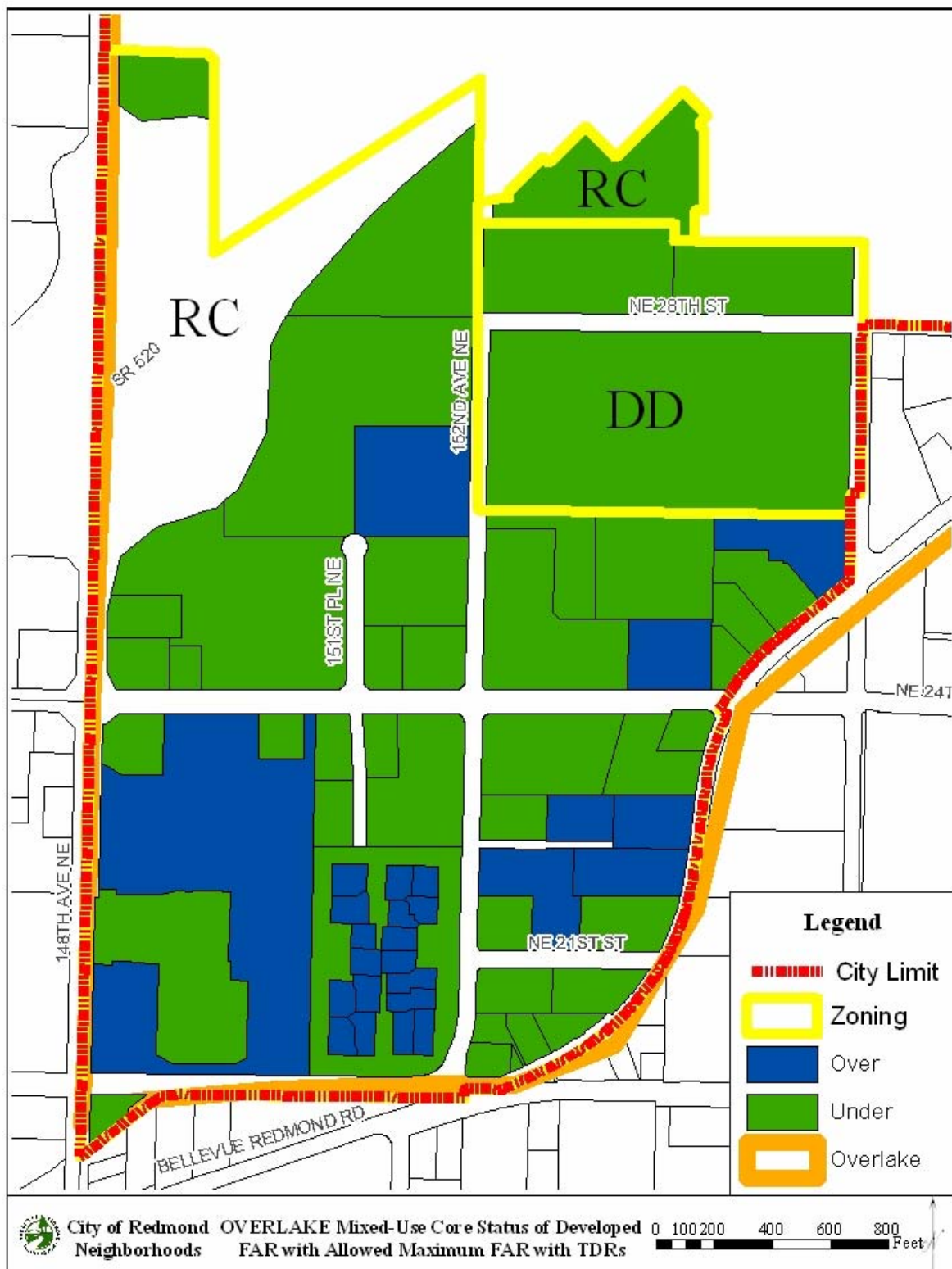
The BROTS Agreement, described in further detail below, limits

potential commercial development in the area. This Agreement between the Cities of Bellevue and Redmond caps commercial development in the Redmond portion of the Overlake study area at 15.4 million square feet until 2012. As of March 2005, 2.63 million square feet of the total development cap had not been used. The recently signed development agreements with Microsoft and Nintendo of America will bring the Redmond portion of the BROTS area within 100,000 square feet of the development cap.

Map 9: Mixed-Use Core Status of Developed FAR with Maximum Allowed FAR



Map 10: Mixed-Use Core Status of Developed FAR with Maximum Allowed FAR with TDRs



Environmental Features¹

Environmental features, though limited in the Mixed-Use Core, do play a role in development and in contributing to the attractiveness of the Core as a place to live, work or visit. Potential development must take into account stormwater runoff and sewer connections and associated issues. The lack of open space may be a hurdle to attracting new residential development.

Due to the developed nature of the Mixed-Use Core in Overlake relatively few natural environmental features are present in that portion of the neighborhood. It is not in a flood plain or an erosion, landslide, or geologic hazard area. There are no identified wetlands, wildlife habitats, streams or native growth protection easements. The site is not in a Wellhead Protection Zone.

Map 11 details the environmental features that do exist in the area—these consist mostly of surface drainage ditches and ponds, which are used for stormwater detention. A majority of the drainage ditches can be found along SR 520, but another is present on one of the Overlake Park and Ride parcels. The surface drainage ditches along SR 520 infiltrate to some extent, but generally carry stormwater to a treatment pond in the Grass Lawn neighborhood, just north of the

Environmental features are limited to surface drainage ditches and ponds used for stormwater detention.

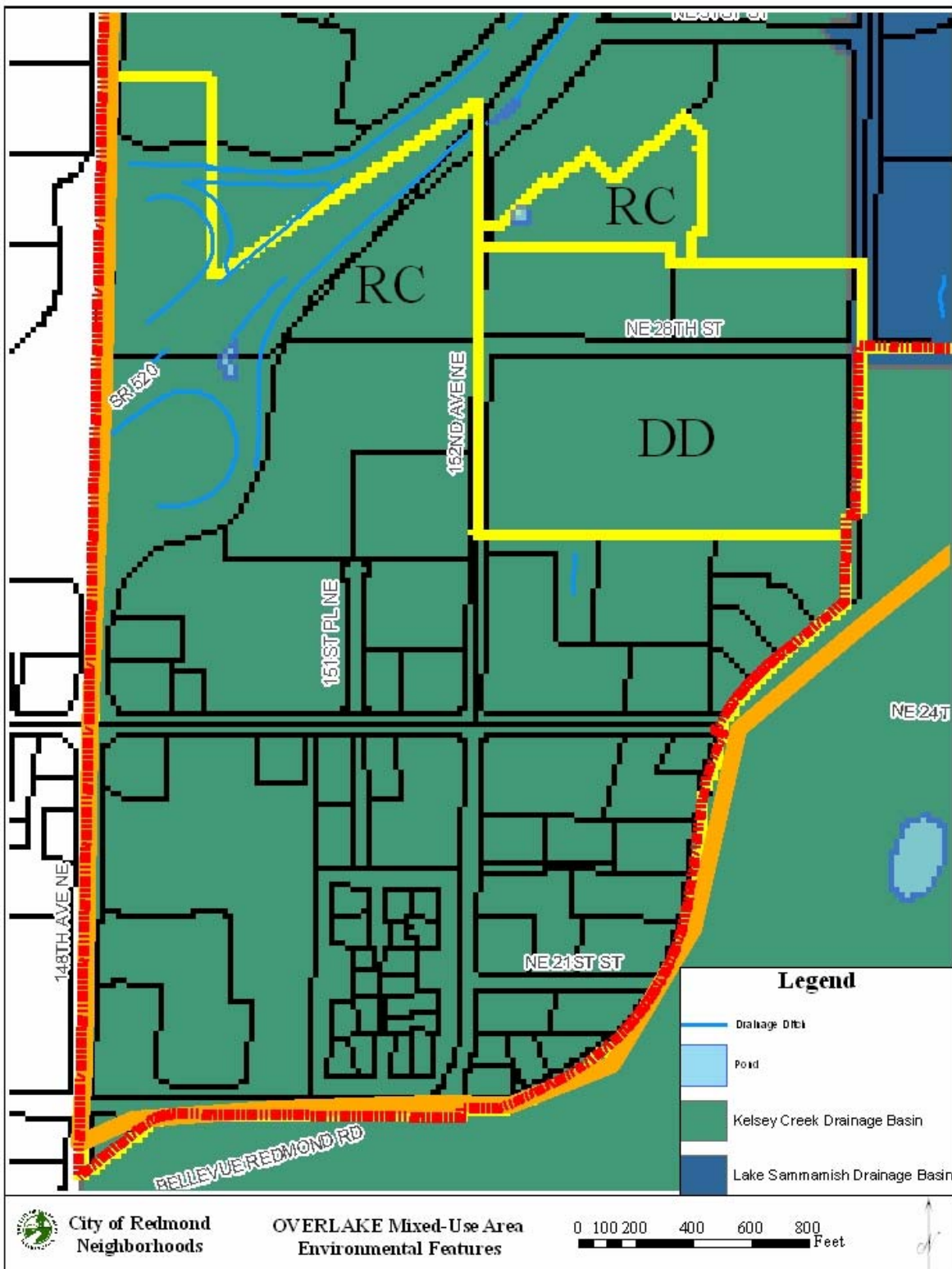
Overlake neighborhood. When the treatment pond overflows, in winter or during heavy storms, the overflow travels directly into Lake Sammamish. Little is known about the quality of the water in these surface drainage ditches, as the City of Redmond does not monitor there, but instead relies on information provided by the Washington State Department of Transportation (WSDOT). The Mixed-Use Core contains two ponds, one next to SR 520 and one on the Overlake Terrace Assisted Living and Memory Care Community site. A larger pond exists outside the area in the City of Bellevue to the southeast.

The topography of the Mixed-Use Core is depicted in Map 12 using 10-foot contour lines. In general, the area slopes down to the southeast corner of the neighborhood. A more significant hill can be found sloping downward from 156th Avenue NE to 152nd Avenue NE. While significant slopes can create some impediments to walking, this rise in the landscape could also offer an economic advantage to developers, as buildings rising 4 floors or higher will likely have impressive views of the Bellevue and Seattle skylines, and potentially other vistas.

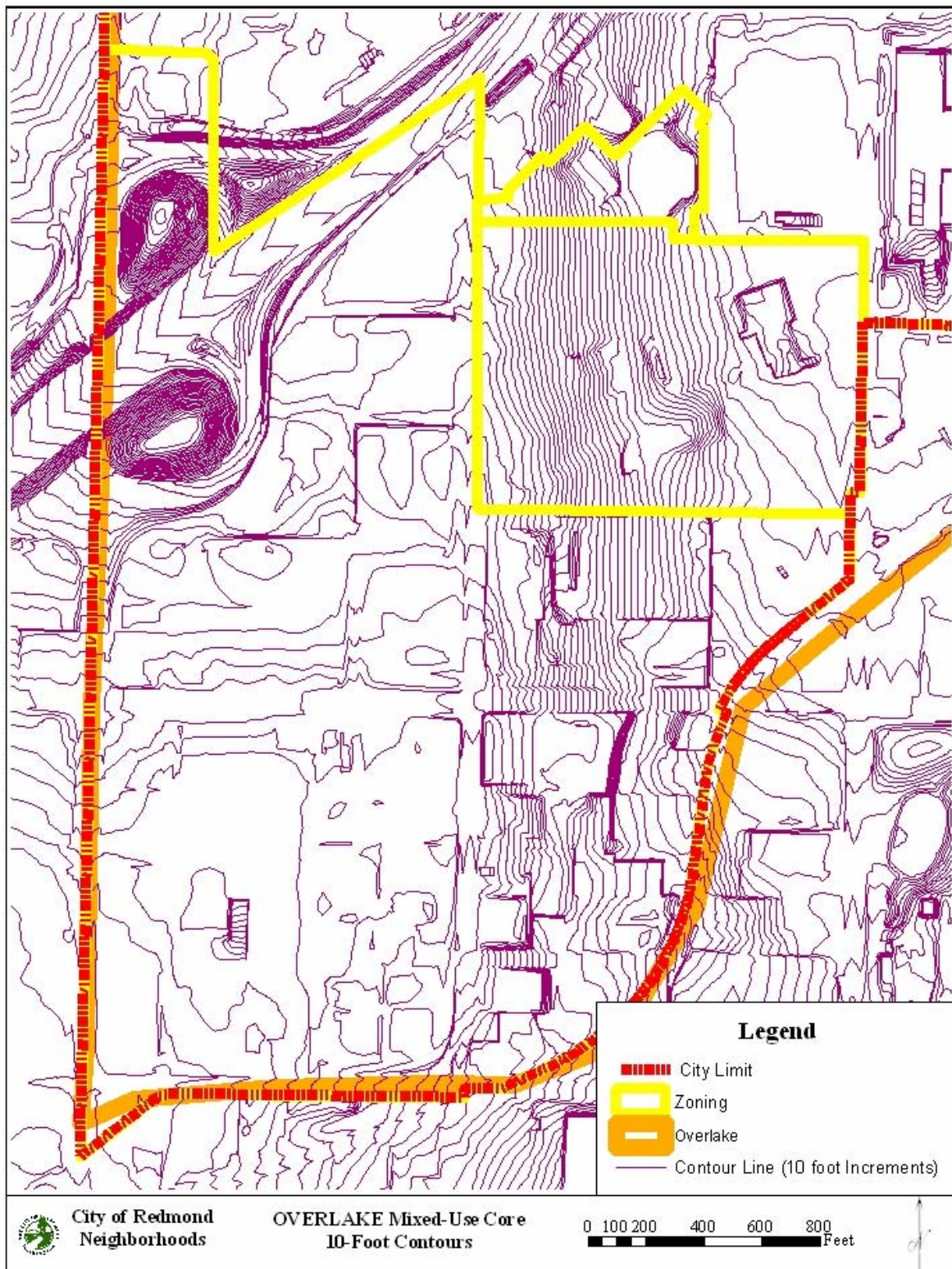
Map 11 also shows the drainage basins that apply to the area: stormwater from the Mixed-Use Core drains into Kelsey Creek, a fish bearing stream outside of Redmond. The drainage patterns in this area of Overlake cross jurisdictional lines: approximately 90 acres of the City of Bellevue to the east of the Mixed-Use Core drains into the Mixed-Use Core (and presumably City of Redmond stormwater detention and water quality facilities) and then back into the City of Bellevue via Kelsey Creek. The northeast corner of the Mixed-Use Core is adjacent to land that is within the Lake Sammamish drainage basin. Increased development within this area, therefore, could have an affect on both Kelsey Creek (and Lake Washington, into which it flows) and Lake Sammamish. Most drainage in the area is handled by the street drainage system. A majority of the soil in the area is till; this soil perks slowly over time and cannot handle much infiltration.

¹ The below discussion is based on information provided in meetings with Bob Franklin, Jon Spangler, Keith Macdonald, and Peter Holte of the City of Redmond Natural Resources Department on August 10th and 16th, 2005.

Map 11: Mixed-Use Core Environmental Features



Map 12: Mixed-Use Core 10-Foot Contours



The quality of stormwater runoff in this area is poor. Due to the large amount of paved surfaces, oil and sediment runoff are significant problems. Also due to the paved nature of the area, a significant amount of stormwater ends up in stormwater detention facilities, generally vaults constructed on each parcel below ground. Detention vaults, when properly maintained, are estimated to clean approximately 50% of pollutants out of stormwater. Increased landscaping (particularly in parking lots), green roofs or inclusion of natural open space could lead to cleaner stormwater in the City's system. Replacing surface parking with parking structures can also lead to improved stormwater quality as these structures would be connected to the sewer system, keeping many pollutants associated with parked vehicles out of the stormwater system. Maintained stormwater ponds, however, can clean approximately 70% or more of pollutants out of stormwater. A facility of this nature may be desired for the Mixed-Use Core in order to gain improvements in the stormwater water quality in this area.

Transportation

Transportation of all types—for pedestrians, bicyclists, transit users, or those driving alone—is a crucial issue when considering the development of an area. High levels of traffic and streets that are difficult for pedestrians or bicyclists are not enticing to future residents or employers, or potential developers. The Mixed-Use Core is relatively well served by transit, but has significant traffic delays and volumes, particularly along the main arterials of 148th Avenue NE and NE 24th Street. Most of the area is pedestrian tolerant but is missing key bicycle connections.

Transit Service and Facilities

Public transportation plays an important economic and social role in the City of Redmond. Daily users of transit include employees, students, seniors and teens. Public transportation is also an economic engine; the American Public Transit Association has shown that every \$1 invested in public transit projects returns \$6 in local economic activity. Finally, Transportation Demand Management efforts in the area are effectively encouraging the use of transit to reduce the proportion of drive alone trips in Redmond.

Service

The Overlake Park and Ride is located at 2650 152nd Avenue NE in the Mixed-Use Core. Eight King County Metro bus routes and one Community Transit (Snohomish County) bus route serve this location. Table 13 details which routes stop at Overlake Park and Ride, other locations served by those routes in Redmond and elsewhere in the region, origin and destination locations, and limitations to service. As the table illustrates, a mix of local, regional and regional express routes serve the Overlake Park and Ride. In the first quarter of 2003, a total of 206 revenue hours served the Overlake Park and Ride; historically, an average of 232 hours has been devoted to stops in this vicinity. This slight drop in revenue hours may be due to the construction of the Transit Center at NE 40th Street north of the Mixed-Use Core.

The Overlake Park and Ride is served by 8 King County Metro routes and 1 Community Transit route (serving Snohomish County).

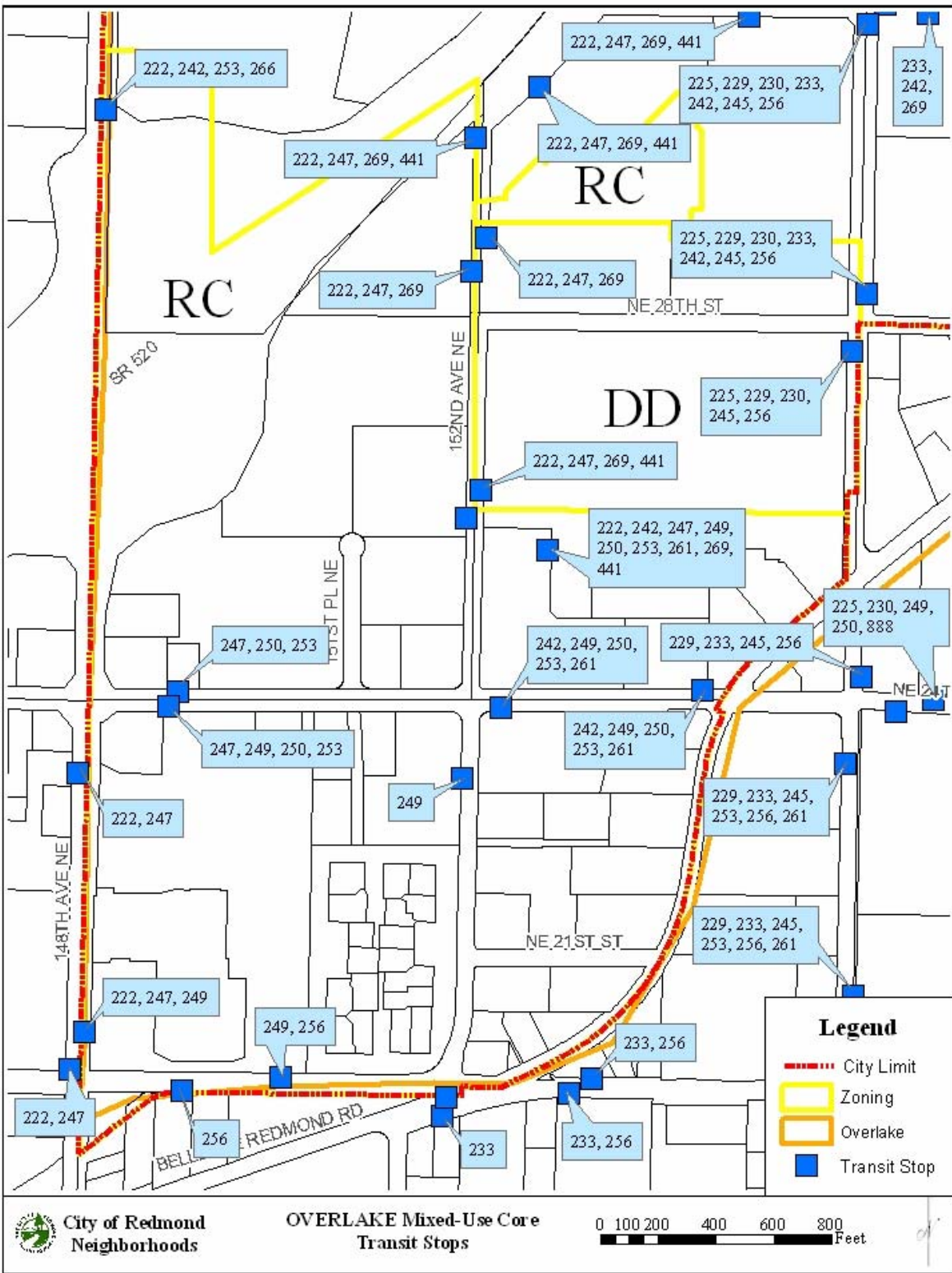
Other transit stops exist within the area as well. Map 13 describes the location of King County Metro transit stops and routes that use them. Few of the transit stops in the Mixed-Use Core are sheltered. The Park and Ride itself serves as a major destination point in the area for buses. The utilization rate of the Park and Ride for the second quarter of 2005 was approximately 35%.

Ridership numbers are highest for those corridors that are used to approach or leave the Overlake Park and Ride. Map 14 shows the average daily transit passenger volumes for King County Metro transit routes in the area for Fall 2000, the most recent year for which this analysis was performed. Passenger volumes are lowest in the southern portion of the commercial core. Table 14 further details ridership information for routes serving the Overlake Park and Ride. The table describes estimated weekday ridership for the entire route, and the number of boardings and exits at the location. Only Metro routes are covered in this table as data for Community Transit route 441 was unavailable.

Table 13: Current Overlake Park and Ride Route Descriptions

Route	Origin	Other Redmond Stops	Other Significant Stops	Destination	Limitations	Frequency
222	Overlake Park & Ride	Overlake Transit Station; 148th Ave NE & NE 51st St	Bellevue Community College; Eastgate Park & Ride; South Bellevue Park & Ride	Bellevue Transit Center		1 hour Peak: ½ hour
242	Overlake Park & Ride	148th Ave NE & NE 51st St	Limited SR 520 stops; Ravenna Park & Ride; Northgate Transit Center	North Seattle (5th Ave NE & NE 165th)	AM & PM Peak Hours only; no Weekend Service	1 hour Peak: ½ hour
247	Overlake Transit Station	Overlake Park & Ride	Eastgate Park & Ride; South Renton Park & Ride	Kent Boeing	AM & PM Peak Hours only; no Weekend Service	½ hour
249	Redmond Park & Ride	NE 24th St & West Lake Sammamish Pkwy; Overlake Park & Ride		Bellevue Transit Center		1 hour Peak: ½ hour
250	Redmond Park & Ride	154th Ave NE & NE 85th St; NE 24th St & West Lake Sammamish Pkwy; Overlake Park & Ride	Limited SR 520 stops	Downtown Seattle	AM & PM Peak Hours only; no Weekend Service	½ hour
253	Bear Creek Park & Ride	Redmond Park & Ride; 148th Ave NE & NE 80th St; 148th Ave NE & NE 70th St; 148th Ave NE & NE 51st St; Overlake Park & Ride	Crossroads Mall	Bellevue Transit Center		½ hour
261	Overlake Park & Ride		Crossroads Mall; Bellevue Transit Center; Limited SR 520 stops	Downtown Seattle	AM & PM Peak Hours only; no Weekend Service	½ hour
269	Overlake Park & Ride	Overlake Transit Station; SR 520 & NE 51st St; Bear Creek Park & Ride	Pine Lake Park & Ride	Issaquah Park & Ride	AM & PM Peak Hours only; no Weekend Service	1 hour
441	Overlake Park & Ride	Overlake Transit Station; 148th Ave NE & NE 51st St	Canyon Park Park & Ride; Lynnwood Transit Center	Edmonds Park & Ride	AM & PM Peak Hours only; no Weekend Service	½ hour

Map 13: Mixed-Use Core Transit Stops



Map 14: Mixed-Use Core Average Daily Transit Passenger Volumes

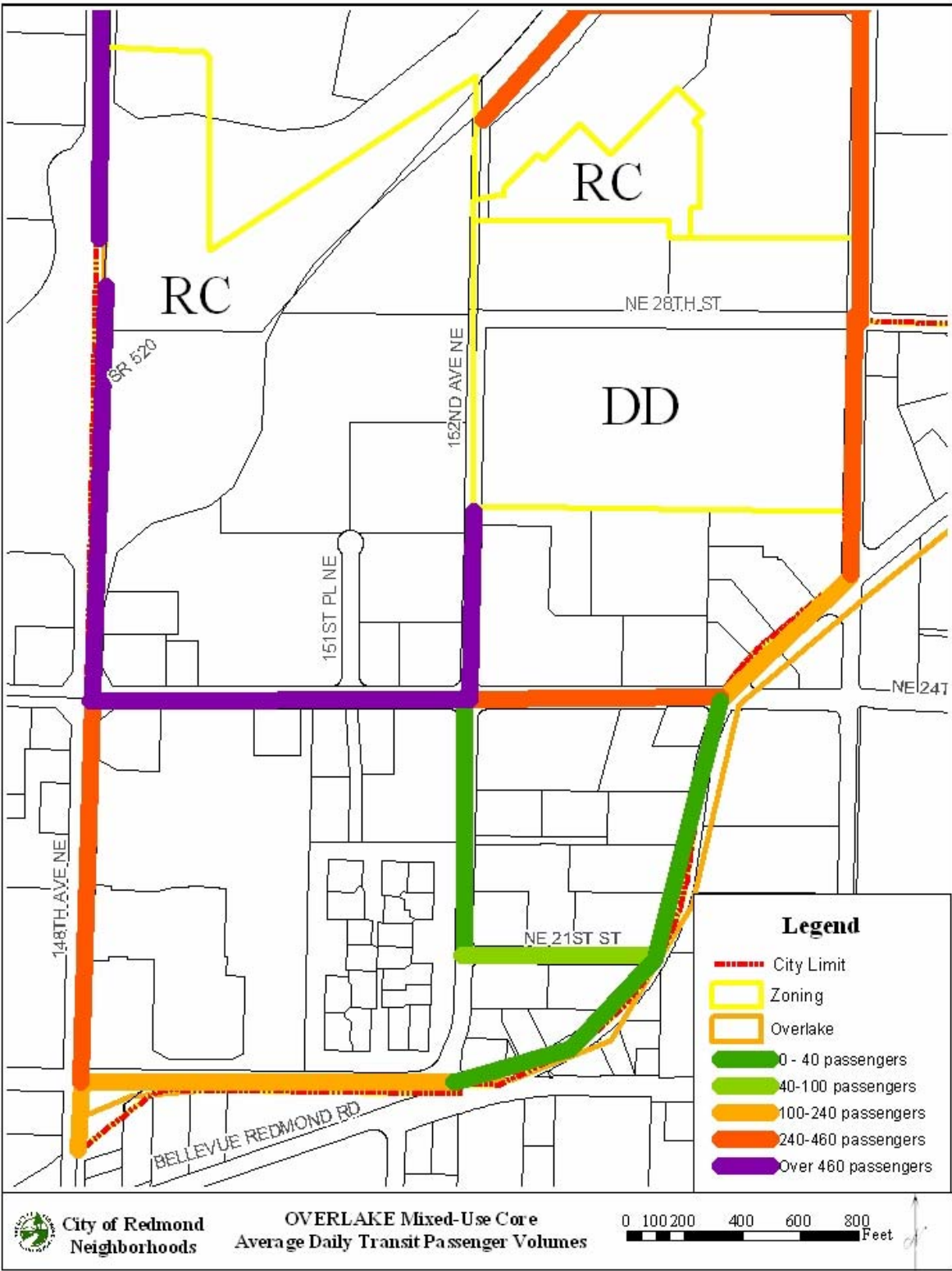


Table 14: Spring 2005 Ridership on Overlake Park and Ride Routes

Route	Origination Destination	Estimated Weekday Ridership	Estimated Weekday Boardings	Estimated Weekday Exits
222	Overlake Park & Ride Bellevue Transit Center	531.5	35	31.7
242	Overlake Park & Ride North Seattle	259.5	5.5	7.2
247	Overlake Transit Station Kent Boeing	32	3	0
249	Redmond Park & Ride Bellevue Transit Center	159.5	22.2	17.2
250	Redmond Park & Ride Downtown Seattle	96.5	28.1	25.7
253	Bear Creek Park & Ride Bellevue Transit Center	940	68.3	66.7
261	Overlake Park & Ride Downtown Seattle	135.5	8	6.8
269	Overlake Park & Ride Issaquah Park & Ride	83.5	3.8	4.3

Connections

The length of trip to other areas of Redmond is directly related to the distance traveled. Table 15 below details the length of trip from Overlake Park and Ride to other key locations in Redmond, some of which are Transportation Management Districts (TMD). Three of these locations do not have direct routes to or from Overlake Park and Ride; these include Redmond Town Center, NE Redmond TMD and Willows TMD. Routes 249 and 253 do provide access to Redmond Town

3 key locations in Redmond (including 2 TMDs) do not have direct routes to or from the Overlake Park and Ride.

Center, though some walking is required. Connections to the Downtown TMD and Overlake Transit Center are identified as priority corridor connections in the Transportation Master Plan (TMP), while connections with Grass Lawn TMD and SE Redmond TMD are slated for maintained service levels in the TMP. Goals for priority corridors include peak hour service frequencies of 15 minutes, 18-hour a day service, and service by direct routes with expedited travel times.

Table 15: Current Overlake Park and Ride Connections to Other Redmond Locations

Location	Routes	Time
Downtown TMD	249, 250, 253	22 mins
Redmond Town Center	No direct routes	
NE Redmond TMD	No direct routes	
Overlake Transit Center	222, 242, 247, 269	8 mins
Grass Lawn TMD	253	12 mins
SE Redmond TMD	253, 269	30 mins
Willows TMD	No direct routes	
Viewpoint TMD	249, 250	10 mins

The Overlake Mixed-Use Core is well connected to the Downtown TMD, SE Redmond TMD and Overlake Transit Center in terms of service hours per weekday. The TMP defines the standard transit Level of Service (LOS) as 18 hours of service per weekday between each connection. This LOS is met for both the Downtown and SE Redmond TMDs and 20 service hours per weekday are devoted to Overlake Transit Center. As mentioned above, no direct routes connect the Mixed-Use Core with Redmond Town Center or NE Redmond TMD.

Currently, transit operating delays stem from congestion at numerous places in the Mixed-Use Core. Delays arise on 148th Avenue NE from SR 520 to NE 24th Street, on NE 24th Street between 148th and 156th Avenues NE, along 152nd when attempting to access the Overlake Park and Ride, and on 156th Avenue NE from NE 20th to NE 24th Streets. Average weekday all-day transit speed for various roadway segments is shown in Map 15. Transit speed must be improved in these areas in order for King County Metro or Sound Transit to provide more frequent and timely service.

Future Plans

Plans for future transit service in and transit policies affecting the Overlake Mixed-Use Core can be found in the TMP and Redmond's Comprehensive Plan. At a general level, the City of Redmond plans to focus transit routes that connect activity centers, such as the Overlake Mixed-Use Core and Downtown Redmond, on multimodal corridors. In the Mixed-Use Core, 148th Avenue NE, 152nd Avenue NE and NE 24th Street all are identified as multimodal corridors. The TMP includes specific implementation steps for focusing transit routes on these corridors. These steps include working with King County Metro to develop an action plan that will result in high-frequency transit service that connects important activity centers and neighborhoods; developing criteria and prioritizing the multimodal corridors with the aid of the public; and, maximizing existing service hours to multimodal corridors.

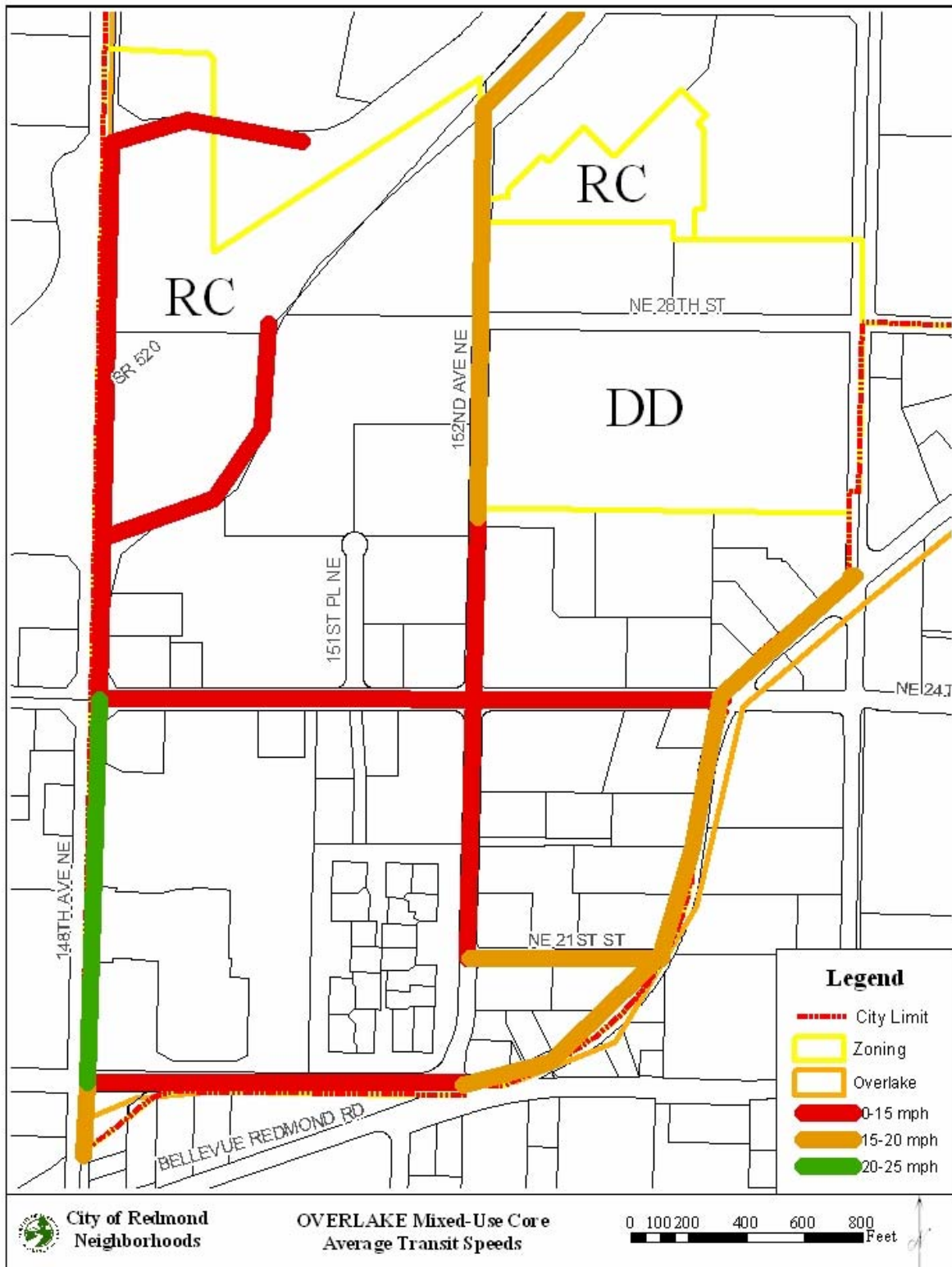
While the Overlake Park and Ride is located on 152nd Avenue NE near NE 24th Street, the City of Redmond has identified a need for improved transit operations along NE 24th Street, which serves as the primary commercial street in the area, as mentioned above. Improving access for all modes of transportation to this area is also an identified goal.

One project related to transit in the City of Redmond and the Overlake Mixed-Use Core can be found in the 6-Year Transportation Improvement Program (TIP). The Demand Management Capital Construction project (project T8) works as a type of grant to help provide public TDM infrastructure, such as transit shelters and benches, where it currently does not exist. Bus stops in the Mixed-Use Core are fairly well dispersed through the area, but more of them could be sheltered—this is a potential project that could occur in the area.

High Capacity Transit

To further support mixed-use land uses and the vision of the Mixed-Use Core, the City of Redmond is in the beginning stages of planning for a high-capacity transit (HCT) station in the area. The Sound Transit long range plan identifies a fixed-guideway transit system coming across Lake Washington on both I-90 and SR 520 and connecting to Downtown Bellevue and Redmond

Map 15: Mixed-Use Core Average Transit Speeds



with 2 stations in the Overlake neighborhood—one in the Mixed-Use Core and one at the Overlake Transit Center (at NE 40th Street and SR 520). For purposes of the initial Phase 2 financial analysis, Sound Transit is using 152nd Avenue NE as the representative HCT alignment through this area and a station location near 152nd Avenue NE and NE 24th Street. This station location could reinforce the vision for mixed-use development in the area, could provide connections to Crossroads Mall, and may help spur redevelopment along the 152nd Avenue NE and NE 24th Street corridors.

A direct HCT connection in Redmond is anticipated by 2022 with a station in the Mixed-Use Core and at NE 40th Street.

The City anticipates that a direct HCT connection into Redmond will be under construction and in service within approximately 20 years. The City of Redmond does not believe that continued regional growth can be accommodated on the Eastside beyond levels anticipated by 2022 without at least the key spine corridors of HCT being in place.

Pedestrian and Bicycle Environment

Pedestrian activity is one of the key measures by which urban places are distinguished from suburban-style developments. In urban places—downtowns and mixed-use activity centers—pedestrians are abundant. Walking supports the urban environment and is enhanced by that environment. The bicycle environment has a similar effect as transit on transportation choices: if continuous bicycle paths are present, bicycling becomes seen as a viable alternative method of transportation. Both the pedestrian and bicycle environments are important considerations in the future development of a mixed-use area. Unfortunately, the pedestrian and bicycle environments in the Mixed-Use Core are currently lacking.

Pedestrian Environment

Map 16 shows the location of sidewalks and street trees in the Mixed-Use Core. As this map illustrates, sidewalks are virtually continuous in this portion of Overlake, with the exception of the east side of the 148th Avenue NE overpass of SR 520. Sidewalks are generally 5-6 feet wide and made of concrete, with some sections of asphalt. Street trees are present throughout most of the Mixed-Use Core.

The area is currently Pedestrian Tolerant, with continuous sidewalks and street trees but difficult street crossings and large amounts of surrounding parking.

The area can best be described as Pedestrian Tolerant due to the continuous sidewalks and the presence of street trees to buffer pedestrians from the roadway. This is in contrast to the vision the TMP describes for the area: at a minimum, the Mixed-Use Core must be Pedestrian Supportive, but is hoped that a portion will meet the standard of Pedestrian Place.

Pedestrian Places are districts of limited extent that are characterized by mixed-use land development, moderate-high densities, good transit service and extensive pedestrian accommodation in the form of sidewalks, crosswalks and other facilities. Pedestrian Supportive environments are safe for walking, where sidewalks are continuous and buffered from streets, wide enough for passing and walking side-

by-side, and where good street crossings have been provided. Land uses are either dense enough to both generate and attract utilitarian walking trips of under one-half mile, or are of the sort that will attract recreational walkers and joggers. Buildings, not parking lots, face streets. Basic guidelines for a pedestrian-friendly corridor include adjacent traffic volumes of fewer than 20,000 vehicles per day; speeds of 30 miles per hour or less; a combination of residential, lodging, retail, restaurant, civic and employment uses; a fine-grained street grid; and, availability of other transportation modes.

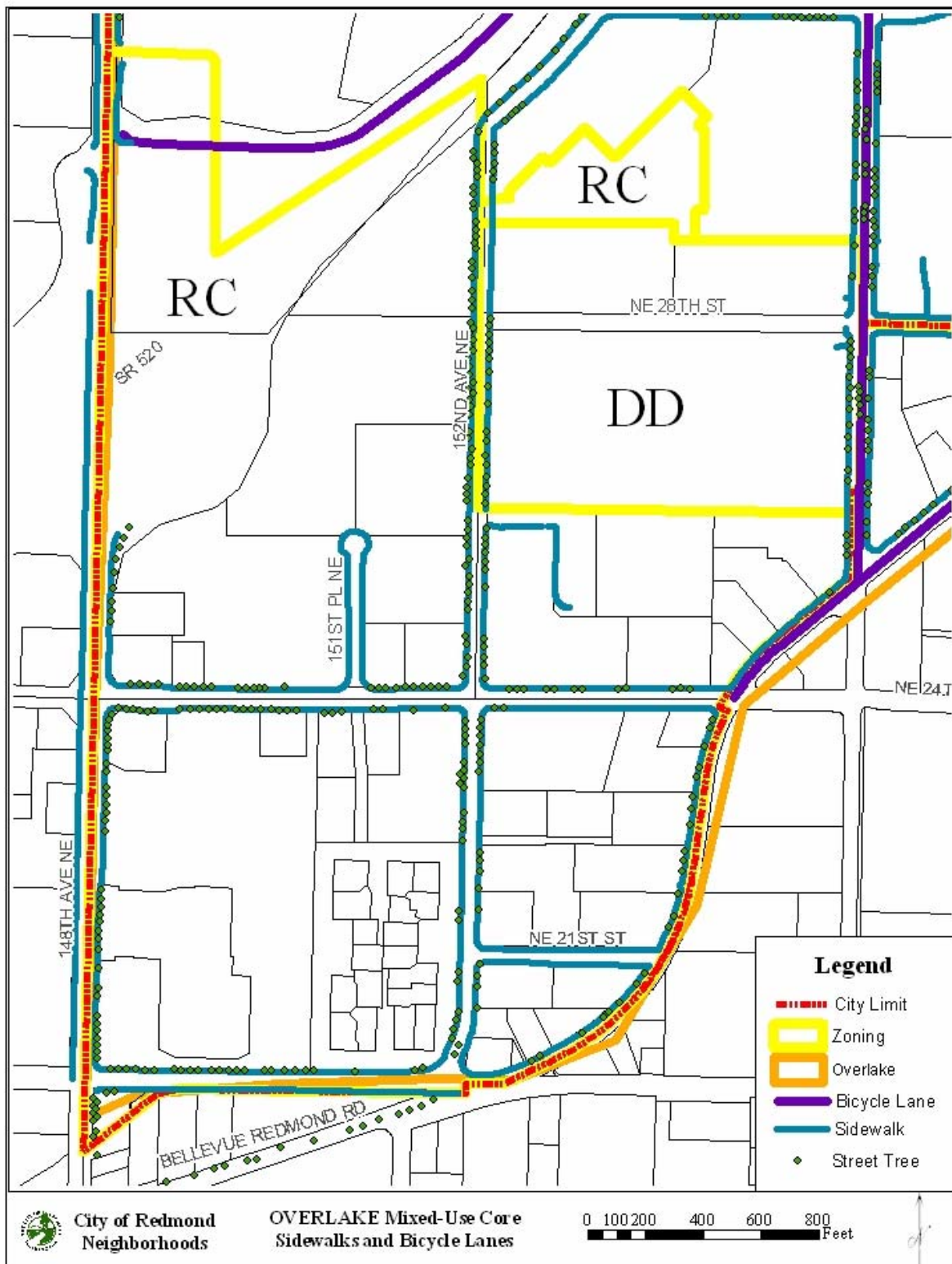
Currently, it is difficult for pedestrians to cross streets in the Mixed-Use Core, especially at 148th Avenue NE and NE 24th Street, due to traffic volumes and speeds, and street widths. Due to volumes, speeds, street widths, and the lack of pedestrian demand, no mid-block crosswalks are provided in the Mixed-Use Core, so street crossings are limited to those intersections with traffic signals. The limited street grid makes walking difficult in the area by reducing street crossing opportunities and thereby increasing the distance pedestrians must walk to get to their destination. The largest deterrent to walking in this area is the large amount of surface parking that pedestrians confront; parking lots are generally unfriendly for crossing and do not offer protection to pedestrians. Virtually all buildings in the area are surrounded by parking lots, increasing the distance pedestrians must cover to walk from one location to another.

In order to achieve the Pedestrian Supportive standards, the TMP calls for special effort to be made to construct infrastructure and guide private development initiatives to create Pedestrian Supportive environments. Implementing the pedestrian program involves making pedestrian improvements such as:

- Requiring private developers to provide Pedestrian Supportive sidewalks which, within a mixed-use activity center, require a 1-3 foot setback zone from non-retail buildings, an 8-foot sidewalk, and either a 5-foot sidewalk planting strip when no on-street parking is provided or a 4-foot furnishing zone if on-street parking exists. For retail buildings, a 1-3 foot setback zone is required, along with an 8-12 foot sidewalk, and a 4-foot furnishing zone between the sidewalk and the on-street parking;
- Designing Pedestrian Supportive intersections which require such items as marked crossings that are highly visible and potentially colored or textured, signals that provide for a slower walking speed to accommodate older pedestrians or those with disabilities, smaller curb radii and paired curb ramps, and medians when a crossing is longer than 48 feet. These crossings should be no more than 528 feet (1/10 of a mile) apart and if more than 300 feet apart, a mid-block crossing should be considered;
- Adopting new roadway design policies and standards to slow vehicular traffic and better accommodate multiple modes; and,
- Encouraging private developers to mix uses, reduce building setbacks, minimize parking areas, and improve pedestrian access.

Additionally, specific implementation measures for the Mixed-Use Core are delineated in the TMP pedestrian program. This includes constructing infrastructure and guiding private devel-

Map 16: Mixed-Use Core Sidewalks and Bicycle Lanes



opment patterns to create a distinct Pedestrian Place in the area by redeveloping in the vicinity of 152nd Avenue NE and NE 24th Street. This could be accomplished through offering incentives to developers to encourage the creation of a Pedestrian Place that will attract significant numbers of people and provide opportunities for socialization, strolling and lingering. A balance of right of way allocations and roadway design that gives priority to pedestrians must also be found.

Finally, the City of Bellevue and WSDOT plan on constructing a sidewalk on the east side of the 148th overpass at SR 520 from NE 24th Street north to NE 36th Street. This will also enhance pedestrian safety at the freeway ramps.

Bicycle Facilities

Map 16 also depicts bicycle lanes in the Mixed-Use Core, which are severely lacking within the area's boundaries. Only three major corridors have bicycle lanes in the area, and each of these serves only as a border to the Mixed-Use Core: 156th Avenue NE (beginning at Bel-Red Road and extending north), Bel-Red Road (beginning at NE 24th Street and extending northeast), and the SR 520 Trail (crossing 148th Avenue NE north of SR 520 and going east to Downtown Redmond and west to 116th Avenue NE in Bellevue).

Only 3 major corridors in the area have bicycle lanes, and each of these serves only as a border to the Mixed-Use Core.

A top priority in improving the bicycle environment in this area is reducing the number of missing links. Five missing links are identified in the TMP and are described below; each of these contributes in some way to either the Overlake/Downtown Loop route or a Cross-Town route as identified in the TMP. These missing links include:

- On-street bicycle lanes on NE 24th Street from 148th to 172nd Avenues NE. This is a component of the recommended multimodal corridors. Coordination with the City of Bellevue will be required since a majority of the project segment of NE 24th Street lies within its jurisdiction.
- A parallel bike path or alternative route on 148th Avenue NE from Willows Road to NE 24th Street. 148th Avenue NE had not been designated as a bike route prior to the TMP but was ranked as a top unmet need by area cyclists and serves as a component of the recommended multimodal corridors. Cost constraints and right-of-way impacts of a major roadway retrofit project to add bicycle lanes to the southern portion of 148th Avenue NE resulted in routing these lanes onto a new SR 520 overpass at NE 36th or 31st Street.
- On-street bicycle lanes or a parallel bike path on 156th Avenue NE or 152nd Avenue NE from NE 51st Street to NE 20th Street. This was ranked as a top unmet need by area cyclists and is also a component of the recommended multimodal corridors.
- On-street bicycle lanes on Bel-Red Road from West Lake Sammamish Parkway to NE 24th Street. This was also ranked as a top unmet need by area cyclists.

The TMP identifies many other projects focused on enhancing the bicycling environment of this area. The plan calls for utilizing the transit centers in Overlake, both the Park and Ride in the Mixed-Use Core and the Transit Center in the Employment area, as hubs of bicycling activity and working to improve multimodal connectivity between bicycling and transit by providing safe bicycle storage at transit centers and at key bus stops in multimodal corridors. In the Mixed-Use Core, secure bicycle parking will be provided at intersections and along street corridors where there are primary and secondary bicycle facilities. Primary bicycle facilities will also have secure bicycle parking at half mile intervals or at major retail and commercial locations. In this area, 148th and 152nd Avenues NE and NE 24th Street are identified as primary bicycle corridors.

Modal integration of pedestrians, bicyclists, transit and vehicles in this area will be critical. The TMP recognizes that if bicycle lanes are not provided within this Mixed-Use Core, some level of traffic calming should be implemented. If not, many cyclists will likely end up riding on sidewalks, which should be reserved for pedestrian use and can create safety problems. Potential traffic calming options could include narrowing travel lanes or using colored pavement to delineate space for bicycling and/or parking.

Traffic conditions and roadway plans

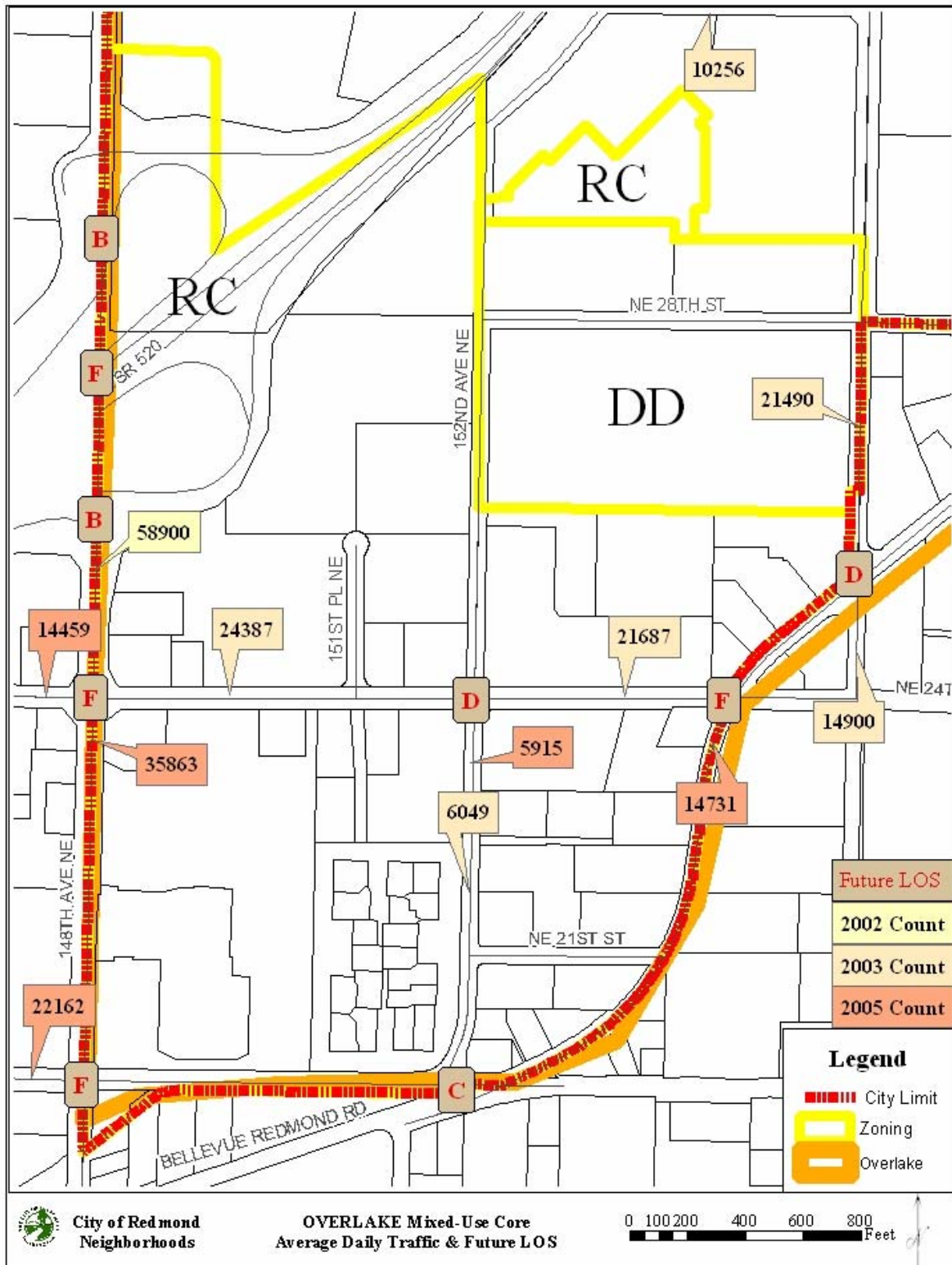
Current Conditions

The street grid within the Mixed-Use Core is relatively limited which makes circulation challenging and creates high volume streets, among other negative impacts. Principal arterials include NE 24th Street (East-West) and 148th Avenue NE (North-South). Minor arterials include Bel-Red Road and 156th Avenue NE. Streets that serve as collector arterials include NE 20th Street and 152nd Avenue NE.

The primary north-south arterial in the Overlake neighborhood, including the Mixed-Use Core, is 148th Avenue NE. Traffic on this roadway, on NE 24th Street and within the commercial area is high. Along both of these roadways, most of the access driveways limit traffic to right-in and right-out movements, with left-turns prevented by a median or channelization curb that has been installed for safety reasons. Average daily traffic counts from 2002, 2003, and 2005 are given for a variety of locations throughout the Mixed-Use Core in Map 17.

Average weekday traffic counts at 3 intersections in the area—NE 24th Street and 152nd Avenue NE, NE 31st Street and 156th Avenue NE, and Bel-Red Road and 156th Avenue NE—are shown in Figure 5 on page 63. Traffic is highest on NE 24th Street and, as the chart shows, traffic on 152nd has been increasing slightly over the past few years. Table 16 below describes the AM and PM peak times and traffic counts for the 3 intersections for which data was available. At the intersection of NE 24th Street and 152nd Avenue NE, heavier traffic comes from the north on 152nd while east- and westbound flows on NE 24th are relatively equal. At the intersection of Bel-Red Road and 156th Avenue NE, northbound flows on 156th are heaviest, while traffic on Bel-Red is either heaviest from the west or relatively similar in each direction. Traffic counts measured east of the intersection of NE 31st and 156th Avenue NE were highest for the eastbound AM and westbound PM peaks, while traffic counts measured west of the intersection were highest during the

Map 17: Mixed-Use Core Traffic Counts and Future LOS



westbound AM and eastbound PM peaks; this corresponds with the comings and goings of Microsoft employees, who may be most likely to use the intersection.

Figure 4: Average Weekday Traffic Counts at 3 Area Intersections

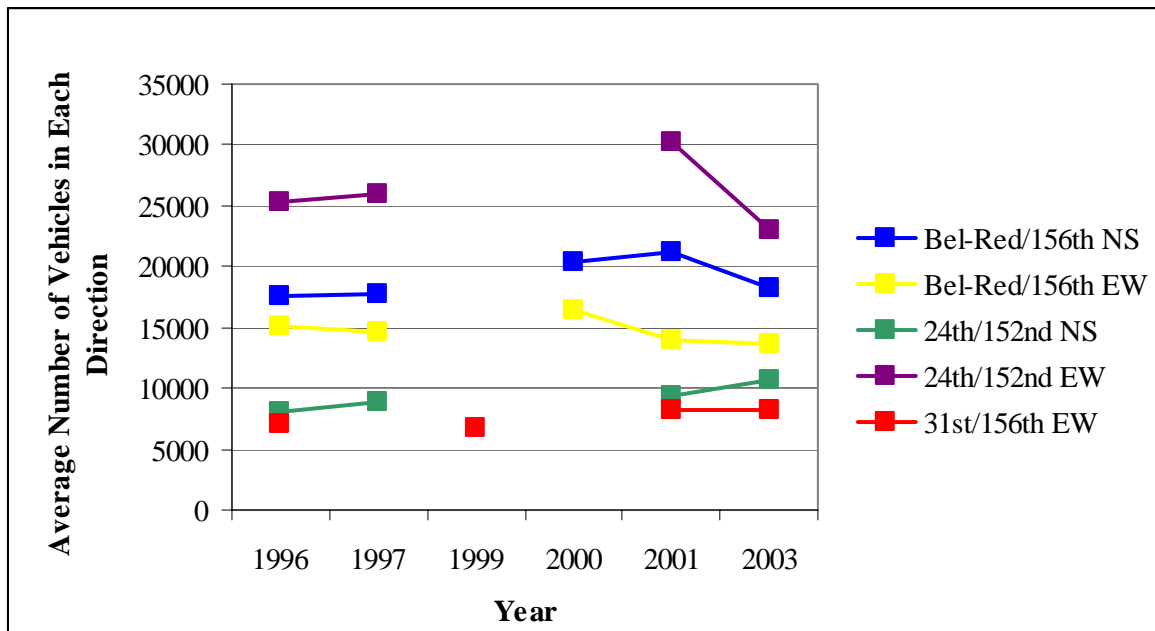


Table 16: Morning and Afternoon Traffic Peaks at 3 Area Intersections

Location	Direction/Peak	Average Week-day Peak Time	Average Weekday Traffic
Intersection of NE 24 th Street and 152 nd Avenue NE	NB AM	9:00	480
	SB AM	11:00	433
	NB PM	1:00	450
	SB PM	5:00	627
	EB AM	11:00	867
	WB AM	8:00/11:00	900
	EB PM	5:00	1125
	WB PM	12:00	989
Intersection of Bel-Red Road and 156 th Avenue NE	NB AM	8:00	992
	SB AM	11:00	656
	NB PM	1:00	772
	SB PM	5:00	1084
	EB AM	11:00	491
	WB AM	8:00	682
	EB PM	5:00	745
	WB PM	5:00	642
Intersection of NE 31 st Street and 156 th Avenue NE	EB AM	11:00	362
	WB AM	11:00	395
	EB PM	1:00/5:00	391
	WB PM	5:00	426

A further analysis of the AM and PM peak time data shows that few of the roadways in the Mixed-Use Core have definitive AM and PM peaks. Southbound traffic on both 152nd and 156th Avenues NE consistently peaks at 11:00 AM and 5:00 PM. Northbound traffic on 156th Avenue NE peaks at 1:00 PM. Eastbound traffic on NE 24th Street consistently peaks at 11:00 AM. Bel-Red Road traffic peaks in the eastbound direction at 5:00 PM and in the westbound direction at 8:00 AM. For other road segments, peak times are mixed, indicating that traffic is not just moving through the Mixed-Use Core to get to home or work, but perhaps to meet other needs within the area as well.

The latest concurrency test on the 2005 afternoon peak hour for the City of Redmond gives the volume to capacity (v/c) ratio in the Overlake TMD as 0.92, or LOS E. The standard for this neighborhood is 0.95, also LOS E. This ratio is an average for all intersections in the district which includes much more than just the Mixed-Use Core. In this area, the latest concurrency test shows the intersection of 148th Avenue NE and NE 24th Street operating at LOS F during the PM peak hour.

The latest concurrency test shows the intersection of 148th Avenue NE and NE 24th Street—the 2 primary arterials in this area—operating at LOS F during the PM peak hour.

Increasing congestion often has a strong, negative effect on vehicular safety in an area. This is the case for 148th Avenue NE, particularly between NE 29th Place and NE 24th Street. Rear-end collisions are most prevalent in this area: nearly half of all collisions in the area fell into this category. These collisions typically occur where speeds are high, where congestion causes queues to form, where sight distance is a problem, or where traffic slows unexpectedly to make a right- or left-hand turn. Approach/turn, right angle and sideswipe/lane-change accidents are also common. Traffic is expected to increase 25% on SR 520 by 2012, leading to increased congestion at the interchanges and a corresponding decrease in safety.

In the whole 148th Avenue NE corridor, the intersection with NE 24th Street has the highest number of collisions in any given year of all intersections in the corridor. Between 1998 and 2000, 54 collisions occurred at this intersection, and an additional 46 collisions occurred just north of it, at the intersection of 148th Avenue NE with the eastbound SR 520 ramps. Mid-block collisions are more prevalent in the segment of 148th Avenue NE extending from Bel-Red Road to NE 29th Place, than in any other segment in the Overlake neighborhood. No fatalities resulted from collisions during the period from 1998 to 2000, but approximately one-third of collisions did involve personal injury.

The intersection of NE 24th Street and 148th Avenue NE has the highest number of yearly collisions of intersections in the area.

Tables 17 and 18 below describe the number and type of collisions at intersections and mid-block segments between 1998 and 2000. During that time period, 35% of intersection collisions resulted in injury while only 18% of mid-block collisions did; however, mid-block collisions along 148th Avenue NE were more likely to result in property damage (82% of collisions) than collisions that occurred at intersections along 148th Avenue NE (65%).

Table 17: Intersection Collisions by Collision Type (1998-2000)

Intersection of 148th Avenue NE with:	Rear-End	Approach/Turn	Right Angle	Sideswipe/Lane Change	Fixed Object	Other	Pedestrian/Bicycle	Total
NE 29th PL	12	5	3	1	1	1		23
SR 520 EB-NB Ramp	8		1		1			10
SR 520 EB-SB & NB-EB Ramp	28		8	7	2	1		46
NE 24th St	20	7	9	16		2		54
NE 22nd St	4	2	3				1	10
NE 20th St	9	4	8	2	2	2	1	28
Total	81	18	32	26	6	6	2	171

Table 18: Mid-block Collisions by Collision Type (1998-2000)

On 148th Avenue NE between:	Rear-End	Approach/Turn	Right Angle	Sideswipe/Lane Change	Other	Pedestrian/Bicycle	Total
NE 29th PL and SR 520 EB-SB & NB-EB Ramps	15	1		1		1	18
SR 520 EB-SB & NB-EB Ramps and NE 24th St	9			5	1		15
NE 24th St and NE 22nd St	4	1	1	1			7
NE 22nd St and NE 20th St	2	1		3	1	1	8
NE 20th St and Bel-Red Rd	1			2			3
Total	31	3	1	12	2	2	51

Future Conditions

The TMP provides some estimates of future conditions in the Overlake Mixed-Use area between the present date and 2022. While daily vehicle miles in the City of Redmond are projected to increase over 25%, the Overlake TMD is expected to see just over 20% growth in this measure.

Roadway Plans

The thoroughfare plan in the TMP notes that the Redmond street network could function better for internal access and circulation within the City if there were better connectivity. Because the network is missing key connections, too much reliance is placed on major streets for local circulation and access. New street connections may be needed to facilitate the redevelopment and in-

fill desired for this mixed-use district. One of these new connections will be a new over-crossing of SR 520 in the vicinity of NE 36th Street. This project is funded and in the design stage; it is further discussed in the sections on the BROTS North-South Corridor Study and the Microsoft Development Agreement below.

11 specific roadway projects are identified for the Mixed-Use Core in the future.

Although the 148th Avenue NE corridor and Bel-Red Road are significantly impacted by regional traffic, they will not be widened beyond what is appropriate for their community context. This is to ensure that I-405 and SR 520 remain the primary routes for regional travel around the Mixed-Use Core and Overlake neighborhood. Widening is not planned for any other corridors in the area. The thoroughfare plan actually calls for elimination of 2 lanes on 152nd Avenue NE, bringing its width down from 4 to 2 lanes.

The Mixed-Use Core is an area subject to the BROTS agreement described below. In 1999, 45 BROTS projects were planned and as of 2004: 17 were completed, partially completed or fully funded; 6 were partially funded; and, 22 were unfunded. This includes both City of Redmond and City of Bellevue projects. The buildout transportation plan in the TMP describes projects found in the BROTS agreement, the current TIP, and others; the TMP currently calls for the following projects within the Mixed-Use Core:

- RED-TMP-014: 2 eastbound and 2 westbound left-turn lanes at 148th Avenue NE and NE 24th Street.
- RED-TMP-033: Construct new 2-lane streets within the Overlake Mixed-Use Core to create a finer grid. This would improve internal access and circulation, as well as improve the pedestrian environment by making walking easier.
- Overlake Circulation Study: Study to determine whether construction of new 2-lane streets within the Mixed-Use Core is feasible and where such new streets should be placed.
- C27: Slated to occur between 2009 and 2010, the project entails adding a northbound lane between the eastbound SR 520 off-ramp and the westbound SR 520 on-ramp, constructing a sidewalk adjacent to the added lane, and removing the traffic signal at the SR 520 eastbound to northbound off-ramp. The signal would no longer be needed, as the new lane would act as a weave lane for traffic getting on and off of SR 520.
- C33: Planned for 2010-2011, this project would widen the intersection at NE 24th Street and 148th Avenue NE to increase capacity by adding dual left-turn lanes in both the westbound and eastbound directions on NE 24th Street. The eastbound right turn lane on NE 24th Street would also be extended.
- M3: Between 2006 and 2008, expand the shuttle program. Currently, shuttle service is offered in the Willows and SE Redmond neighborhoods, but the goal is to expand to other places, with an emphasis on Overlake. This would entail continue to work with King County Metro to identify potential new routes and partnership opportunities to add the new service.

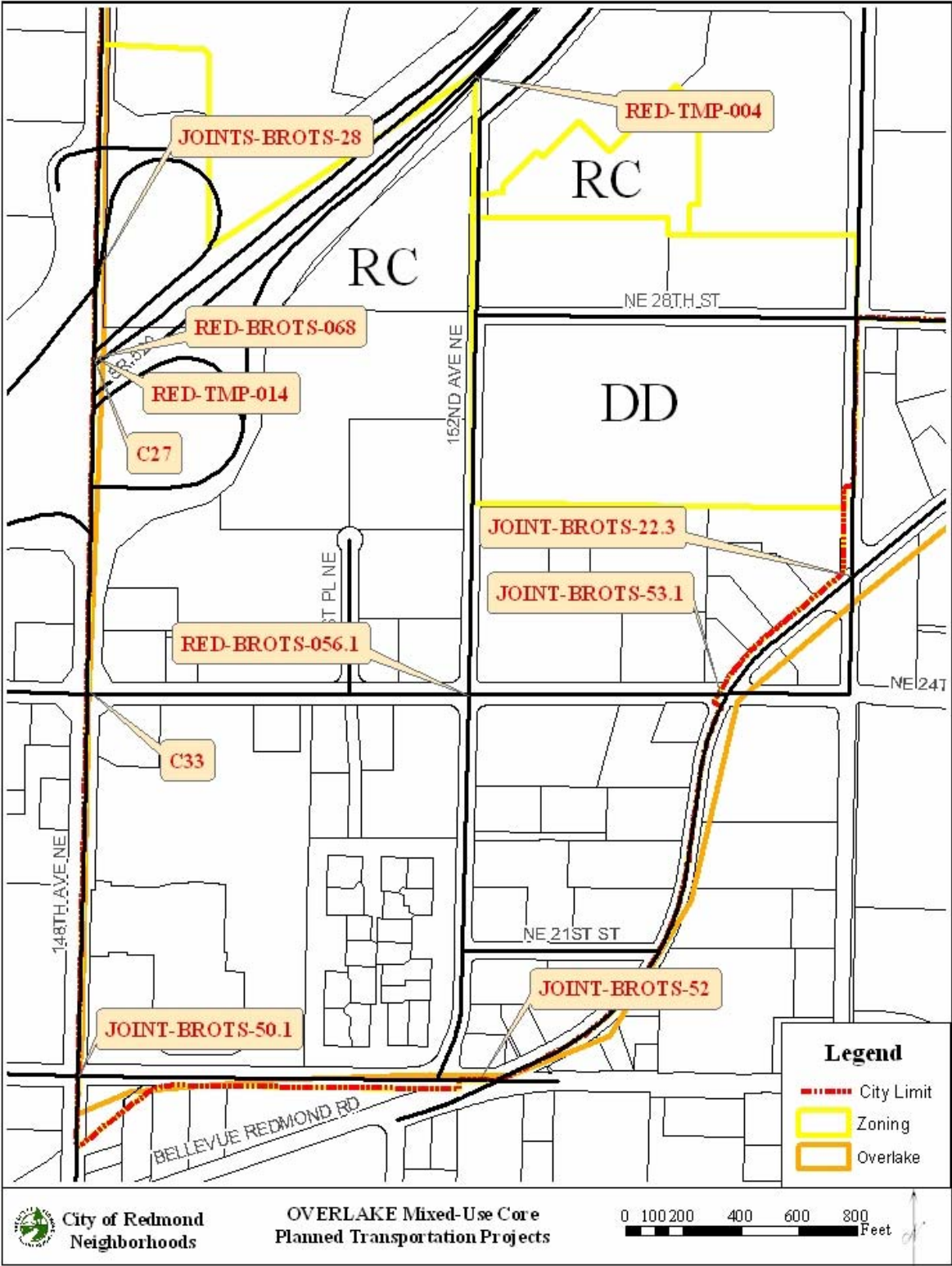
- JOINT-BROTS-22.3: Add southbound right turn lane at 156th Avenue NE and Bel-Red Road.
- JOINT-BROTS-28: Add southbound through and second westbound left turn lanes, channelize yield for westbound right turn lane, and convert eastbound right turn lane to shared right turn/left turn lane at 148th Avenue NE and NE 29th Place.
- JOINT-BROTS-50.1: Add second westbound left turn lanes to 148th Avenue NE and NE 20th Streets.
- JOINT-BROTS-52: Add southbound right turn lane, and convert westbound lanes to provide left turn, left turn/through and through/right turn lanes at Bel-Red Road and NE 20th Street.
- JOINT-BROTS-53.1: Add southbound right turn and northbound right turn lanes, provide protected phasing for northbound left turns, and prohibit southbound left turns at Bel-Red Road and NE 24th Street.
- RED-BROTS-056.1: Add northbound and southbound approach lanes, make northbound lanes left/through/through-right, and make southbound lanes left/through/right at 152nd Avenue NE and NE 24th Street.
- RED-BROTS-068: Modify channelization and signals, and add northbound sidewalk from SR 520 eastbound off-ramp to SR 520 westbound on-ramp on 148th Avenue NE.
- RED-TMP-004: Construct new 2 lane street and bridge over SR 520 in the vicinity of 152nd Avenue NE and NE 36th Street.

Two general projects included in the Transportation Facilities Plan that will have an impact in the Mixed-Use Core include the Safety Program and Redmond Intelligent Transportation System. The Safety Program (RED-TMP-046), if implemented in the area, would signalize and modify intersections and corridors to improve safety; 148th Avenue NE and NE 24th Street intersection may be a good candidate for this program but no specific projects have been identified.

The Redmond Intelligent Transportation System better coordinates and optimizes traffic signals by linking traffic signals through existing conduits in various portions of the City. The first phase of this project will be implemented throughout the Overlake neighborhood, including the Mixed-Use Core. The project will extend south down 148th Avenue NE to NE 40th Street, extend east to 156th Avenue NE, follow this Avenue south to NE 31st Street to 152nd Avenue NE and south to NE 20th Street. The City of Bellevue will complete a section linking Northup Way with 152nd Avenue NE. Within the Mixed-Use Core, signals that will be upgraded in Phase I include 151st Place NE and NE 24th Street, 152nd Avenue NE and NE 24th Street, the signal at the Overlake Park and Ride crossing of 152nd Avenue NE, and NE 28th Street and 156th Avenue NE. Construction will begin in late November or early December of 2005 and will be completed no later than June 2006.

The locations of the planned transportation projects discussed above are noted on Map 18.

Map 18: Mixed-Use Core Planned Transportation Projects



Existing & Planned Utilities²

Utility capacity can have a positive or limiting effect on development in an area. In the case of the Mixed-Use Core, current or planned utilities are sufficient to adequately provide for projected development through 2022. After this point, the future of increased development in the area is more uncertain due to constraints with the water and sewer systems, although updates are underway to reflect potential increases in residential development in this area.

The City supplies all water service to the area and maintains the sewer system. All electrical services are located underground and service is provided by Puget Sound Energy, which operates an electrical substation in the area, as noted above.

Water System

The Redmond water system currently supplies its water customers via four hydraulically distinct but interrelated service areas including the well service area, and the service areas of Rose Hill, Novelty Hill, and Overlake/Viewpoint. These service areas are then broken up into pressure zones, the boundaries of which generally follow ground contour elevations; however, physical boundaries such as streets also are used to simplify maintenance and operations. The current Water System Plan covers the years 2000-2010.

Map 19 shows hydrants, pipes and pressure zones existing within the Mixed-Use Core.

Current Conditions

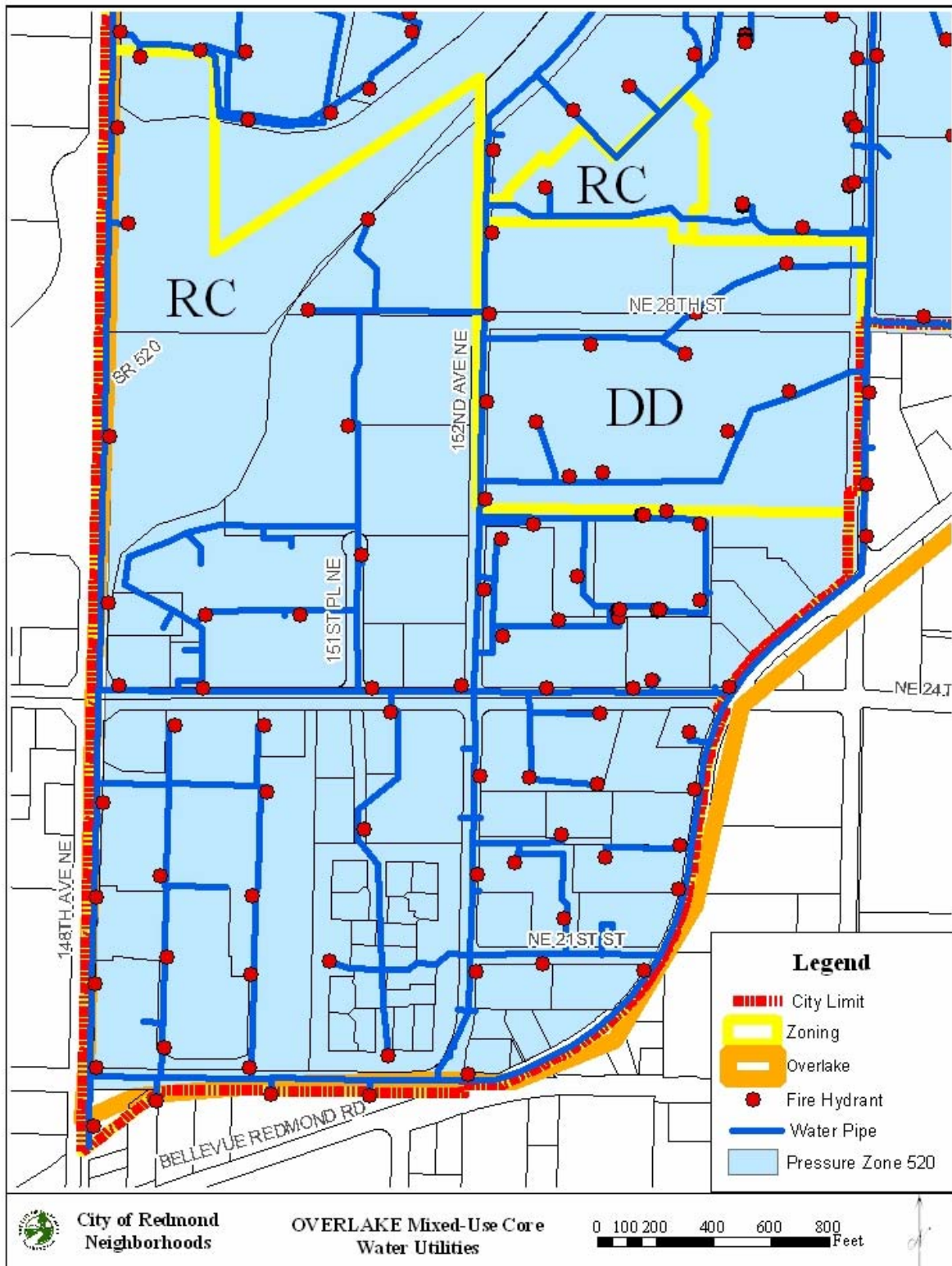
Water for the Mixed-Use Core is supplied through the Bellevue/Redmond 520 pressure zone within the Overlake/Viewpoint service area. This zone is supplied primarily through Bellevue's four metered connections to the Tolt Eastside Supply Pipeline (TESSL), one of which is the NE 40th Street connection. Supplemental supply to this pressure zone can also be provided as needed from pressure reducing valve (PRV) connections to Bellevue's Rose Hill 545 pressure zone and through the metered emergency intertie connection with the Redmond Rose Hill 425 pressure zone along 156th Avenue NE near NE 51st Street.

The TESSL connection at NE 40th Street also directly feeds the Bellevue/Redmond Reservoir, which supplies the system through the reservoir pump station. Redmond and Bellevue have an interlocal agreement that covers the maintenance and operation of the reservoir and pump station. The tank has a total storage volume of 6.0 MG (million gallons), and Redmond's allocated storage volume is 44% or 2.64 MG.

The 520 pressure zone also serves Redmond's 465, 435, 415, and 335 pressure zones in the Overlake/Viewpoint service area through a series of PRVs.

² The discussion below is based on information obtained in the General Sewer Plan (1997), Water System Plan 2000-2010, and also from a meeting with Bill Campbell, Scott Thomasson, and Lynn Arakaki of the City of Redmond Public Works Department on September 13th, 2005. Additional information was obtained through a meeting with Scott Thomasson on February 6th, 2006.

Map 19: Mixed-Use Core Water Utilities



The Overlake/Viewpoint service area overall currently has a storage shortfall. However, the existing transmission and distribution system is designed to allow water to be transferred between the City's in-city service areas, so excess storage capacity in the well service area can be used in the Rose Hill and Overlake/Viewpoint service areas.

Future Plans

An overall system-wide storage deficit is forecast for 2020 and 2050. As the City converts from using Seattle's water supply (through the TESSL) to the Cascade Water Alliance supply, storage capacity will need to increase.³ The supply contract with the City of Seattle extends through 2025, reducing the immediate need for new storage. This issue will be further evaluated in future water system plans.

The Overlake/ Viewpoint service area currently faces a water storage shortfall.

The Water System Plan for 2000-2010 recognizes the aim to encourage multifamily housing in Overlake, particularly in the Mixed-Use Core; the neighborhood is also noted as a potential high-growth area. Forecasted average and peak day demands for water in the overall Overlake/Viewpoint service area are shown in the table below. These numbers exceed the storage capacity of the NE 40th Street Reservoir.

Table 19: Forecasted Water Demands for Overlake/Viewpoint Water Service Area

Year	Average Day Demands (mg)	Peak Day Demands (mg)
2000	1.9	4.4
2020	3.1	7.2
2050	4.0	9.2

Through the supply contract with Cascade Water Alliance and the City's independent water supply, Redmond will have enough water to meet future growth. In the near term, Cascade may face some deficits in supply as new infrastructure is constructed. Future additional storage will be needed in the Overlake/Viewpoint service area; this issue will be examined in future water system plans.

Potentially, the 14" water pipe running down 148th Avenue NE may need to be replaced depending on the level of development in the Mixed-Use Core. The current size of the pipe may not be large enough to supply increased demand. The pipe is jointly owned with the City of Bellevue.

Additional water mains may need to be constructed in the area as development occurs.

³ Water systems supplied by 2 sources are not required to have as much storage. As the City transitions from 2 sources to 1 (Cascade Water Alliance) the amount of storage required is likely to double.

Sewer System⁴

The Overlake neighborhood as a whole includes 8 sewer basins, 6 of which fall within the study area. The Mixed-Use Core, however, makes up the southern portion of just one of these basins, the Overlake South basin—the coverage of this basin and pipes within the Mixed-Use Core are illustrated in Map 20. The Overlake South basin has been served since the 1960s by a trunk line that extends from Bel-Red Road. Sewage from this basin flows to Bellevue and ultimately to the King County South Treatment Plant in Renton. No King County Wastewater Treatment facilities exist in this sewer basin, or in the Overlake neighborhood as a whole.

Current Conditions

The Overlake South Basin connects to Bellevue's Bel-Red Trunk at Bel-Red Road and 148th Avenue NE. From there, it extends north on 152nd Avenue NE, along SR 520 and then under 150th Avenue NE to NE 40th Street. An interlocal agreement was formed between Bellevue and Redmond in 1971 allowing Redmond 1.2 mgd of Bellevue's Bel-Red capacity, despite this not being enough to handle the ultimate flow predicted from the Overlake South Basin. The agreement requires that when discharge from Redmond exceeds the capacity of the Bel-Red trunk,

Redmond will reconstruct the trunk or build a separate pipe to accommodate ultimate flows from this basin.

Land use throughout the Overlake South sewer basin has stressed the system capacity and integrity. An update to the General Sewer plan is underway to reflect the residential capacity of the Mixed-Use Core.

The land use throughout the basin overall has stressed the system capacity and physical condition. In the early 1990s, several industrial complexes discharged industrial waste that dissolved some sections of concrete pipe and damaged others. Since 1992, a large section of pipe in the middle reach of the trunk sewer has been replaced due to this pipe failure. The replacement pipe was selected and constructed to maximize the capacity through the middle reach of the trunk sewer.

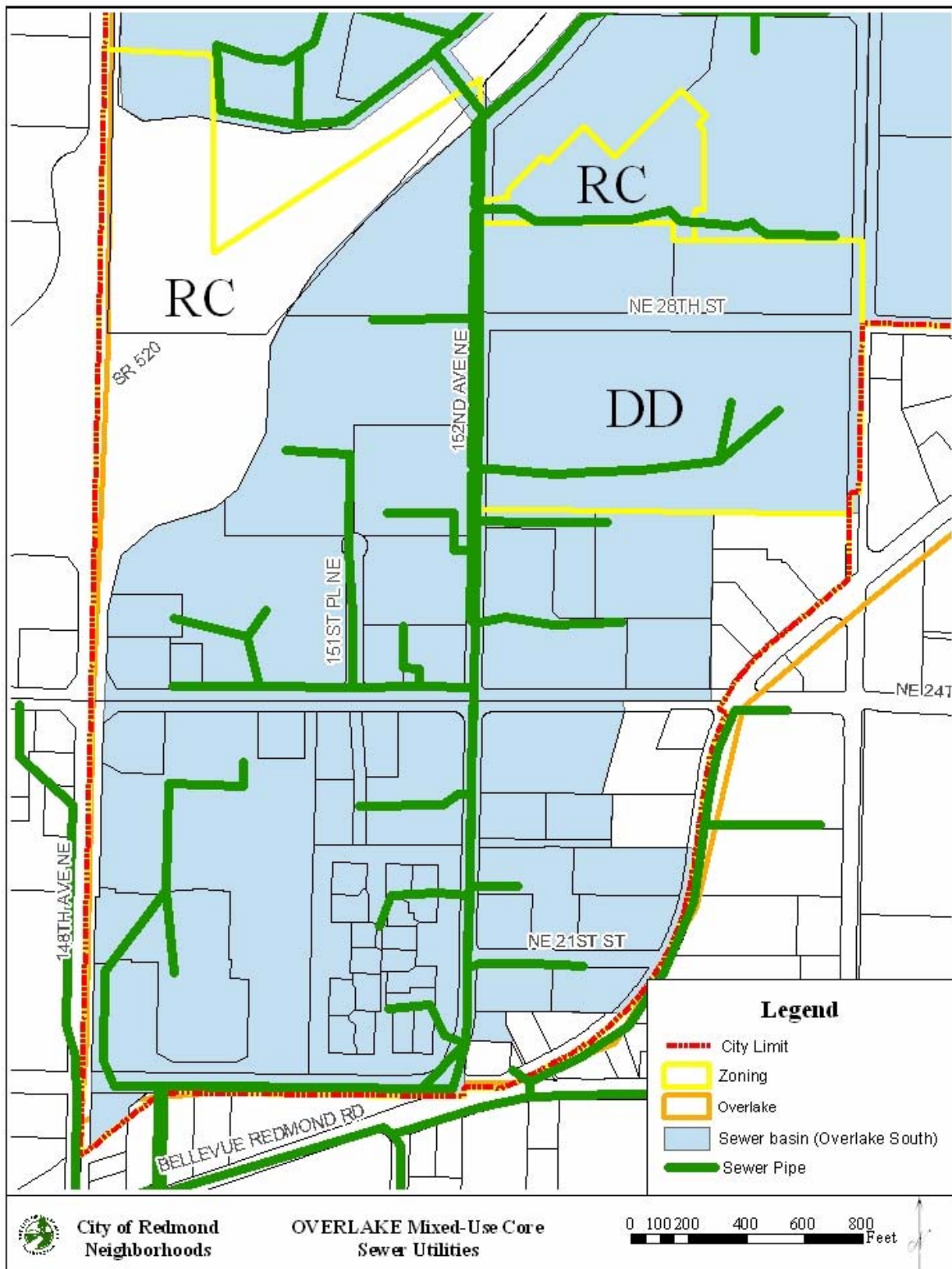
When the General Sewer Plan was adopted in 1997, analysis of existing and future flows indicated a problem with surcharge. Existing flows at the time suggested a 1- to 4-foot surcharge would occur in the middle to lower reach of the system with no apparent overflow. Future flows indicated a surcharge condition throughout the system with depths varying from 1-15 feet. This could result in an overflow condition in the lower reach of the system.

Future Plans

The General Sewer Plan currently utilized by the City was developed prior to the 1999 update of the Overlake Neighborhood Plan and the added emphasis on housing in the Mixed-Use Core. The Mixed-Use Core now has the zoning capacity to accommodate a large number of new residences.

⁴ The discussion below utilizes information from the General Sewer Plan of 1997 which has a planning horizon of only 6 years; therefore, some sewer information may be out of date. An update is currently underway.

Map 20: Mixed-Use Core Sewer Utilities



Overall, the sewer system is expected to be able to handle planned growth through 2022 with current planned upgrades. After this point, additional improvements will be needed to system capacity. An update to the General Sewer Plan is underway and is intended to reflect the residential capacity that currently exists in the Mixed-Use Core.

As mentioned above, some surcharging occurs in the Mixed-Use Core area. Work has begun on replacing the Bel-Red sewer pipe. The new pipe will be designed to accommodate the forecasted demand for 2022 and will include some excess capacity. Phase 1 of the trunk reconstruction has begun. The Microsoft Development Agreement provided funding of Phases 2 and 3 of this project. Phase 2 consists of constructing a new 15-inch sewer pipe from the end of Phase 1 in 152nd Avenue NE to the pipe crossing SR 520. The project is currently in design and will be completed in the summer of 2006 or 2007. Phase 3 consists of constructing a new sewer pipe from the end of Phase 1 in NE 20th Street south to Bel-Red Road and then west along Bel-Red Road to the existing King County Interceptor. The current pipe in this portion of the project is shared between Redmond and Bellevue. It could be replaced with a separate pipe for Redmond or a new shared pipe; the size of the pipe will depend on which option is chosen and future growth projections for the area.

Parks, Open Space and the Arts

Part of the City of Redmond's image is defined by its parks, open space areas, trail systems, art-work and cultural programs. This image is supported by one of the Comprehensive Plan goals: to support vibrant concentrations of retail, office, service, residential and recreational activity in both the Downtown and Overlake areas. Redmond's park system consists of 34 parks totaling over 1,350 acres and over 25 miles of trails. Unfortunately, there are currently no parks in the Mixed-Use Core of Overlake but a bike trail does extend through the area. The area is also devoid of public art, which can take a variety of forms. The presence of parks and public art can attract new development—the absence of these in the Mixed-Use Core is unlikely to help spur redevelopment.

In the larger Overlake neighborhood, there are 4 existing parks and open space sites, including Cascade View Neighborhood Park, Redmond West Wetlands, Westside Neighborhood Park, and the Bridle Crest Trail Site. Each of these has an associated service area, generally less than three-quarters of a mile, and the Mixed-Use Core is just out of reach of any of these sites. At the southwest corner of 148th Avenue NE and Bellevue Road, the City of Bellevue maintains the Commissioner's Waterway Mini Park, a half-acre site with picnic facilities. Other Bellevue facilities that are near the Mixed-Use Core include Ardmore Park, Bellevue Golf Course, and Tam O'Shanter Park.

With the exception of the 520 Bike Trail, there are no parks, open spaces, or recreation areas within the Mixed-Use Core.

A portion of the 520 Bike Trail, discussed briefly in the transportation section above, is within the Mixed-Use Core. The trail is a total of 4.2 miles, 2.6 miles of which are located within Redmond. The Class I Bicycle Trail is adjacent to SR 520 and extends from Leary Way to NE 124th Street in Bellevue.

Resource parks, open space areas or local parks are most appropriate to the Mixed-Use Core as Neighborhood and Community Parks require a larger amount of dedicated space that is not available in this heavily built area. Resource parks or open space can come in a variety of sizes and local parks are typically .5 to 2 acres. Local parks tend to provide smaller recreational use areas and are conveniently located within residential neighborhoods or in proximity to daytime users. They are designed to serve those who live or work close enough to walk .25 miles.

The PRO Plan calls out needs assessments for different types of parks and recreation facilities. Of note to the Mixed-Use Core is the City standard of 2.5 acres per 1000 population and planning goal for special use or open space areas which are desired at 3.8 acres per 1000 population. Acquiring land for a resource park in the Mixed-Use Core would not only aid in the quality of life of residents and employees in the area, but would also help the City achieve its recommended citywide planning targets, which are desirable but optional, for parks and open space: by 2012, 196 acres of resource parks will be needed and 247 acres are desired by 2022.

Plans for parks and open space currently do not address needs in the Mixed-Use Core. In the Park Improvement Plan, resource parks are an identified need in the Overlake area as a whole. The plan calls for acquiring 2 resource parks in the Overlake area at a cost of \$2 million some-

time after 2011. One of these parks has been identified in the Nintendo Development Agreement at NE 51st Street and 148th Avenue NE. Another potential location is identified in the plan as at the northwest corner of NE 40th Street and SR 520—outside of the Mixed-Use Core. Fortunately, the Parks Board will be undertaking a SWOT analysis (Strengths-Weaknesses-Opportunities-Threats) of the Overlake neighborhood in the near future. The Parks Department and Board are aware that the neighborhood plan identifies acquiring a park in the urban setting as the area's most pressing need, and these groups plan to attend to this deficiency.

Other public projects in planning

The Redmond Police Department opened a police substation at the Overlake Transit Center (at NE 40th Street and 156th Avenue NE) in 2004. This facility is serving the department's needs in the area and there are no further plans for expansion in the Overlake neighborhood.

The Overlake Fire Station (Station #12) was constructed in 1960. The station is located along the 148th Avenue NE corridor at the 4200 block, outside of the Mixed-Use Core. Average response times from this station to the Overlake Park and Ride and the residences at this location

Fire response times to the Overlake Park and Ride average 7.4 minutes.

average 7.4 minutes compared with the city-wide average of 6.5 minutes. In the first 6 months of 2005, 2 fires were reported at the Village at Overlake Station. In 2004, Station #12 was unable to respond to 790 alarms to which it should have been the primary responder because the limited staff at Station #12 was responding to other calls. Other fire stations within the City of Redmond face a similar staffing issue. The increased response times seen in this area are largely due to the fact that other units from Redmond, Kirkland

or Bellevue responded to alarms in the Overlake neighborhood due to simultaneous alarms.

Although there are no current plans for upgrades to Station 12 or for construction of a new station in the area, the department is likely to face challenges resulting from increased traffic congestion, increasing population in the area, simultaneous alarms, and increased size of structures in the Mixed-Use Core. The Fire Department has requested an increase in staffing at the Overlake station to improve response times in the Overlake area.

Needed infrastructure improvements required by developers

Development in any given area may be affected by the amount of infrastructure and other public improvements developers are required to provide in an area. In the case of the Mixed-Use Core, there are currently not many improvements required by developers other than those specific to their properties.

As the discussion in the pedestrian environment section above suggests, one infrastructure improvement required of developers is Pedestrian Supportive sidewalks. Within a mixed-use activity center, the Transportation Master Plan calls for this system to include a 1- to 3-foot setback zone from non-retail buildings, an 8-foot sidewalk, and either a 5-foot sidewalk planting strip when no on-street parking is provided or a 4-foot furnishing zone if on-street parking exists. For retail buildings, a 1- to 3-foot setback zone is required, along with an 8- to 12-foot sidewalk, and a 4-foot furnishing zone between the sidewalk and on-street parking.

The TMP pedestrian program also suggests that the City should offer incentives to developers to encourage the creation of a Pedestrian Place that will attract significant numbers of people and provide opportunities for socialization, strolling and lingering. Depending on the success of incentives, further requirements may be made of developers to achieve a Pedestrian Place designation for the Mixed-Use Core.

A variety of infrastructure improvements are contained within the Microsoft Development Agreement, which is discussed in further detail below. Microsoft has agreed to provide improvements or funding for transportation and utilities in the area and throughout the City of Redmond. Transportation improvements and funding include some BROTS projects, Microsoft development related mitigation improvements, and transportation concurrency projects in other Transportation Management Districts throughout the City. A majority of these projects are located outside of the Mixed-Use Core; all projects are identified below.

Few infrastructure improvements are required by developers. Many improvements are provided for in the Microsoft and Nintendo Development Agreements.

Public utility projects and funding to be provided by Microsoft include:

- Stormwater Master Plan and downstream analysis for the Bel-Red Basin. This would include a list of any facilities and improvements needed as well as a timeline for implementation of facilities and improvements on Microsoft-owned property. Both will be completed in 2005 or prior to the issuance of building permits for any additional development within the basin.
- Provision of \$3.5 million for Phases 2 and 3 of the Overlake South Sewer Basin reconstruction project to be completed by 2007. This project is described in more detail in the above Utilities section.

Transportation Facility Plan related mitigation improvements (BROTS projects) include:

- NE 40th Street and 159th Avenue NE (BROTS 4.1). A northbound left-turn lane will be added by December 31, 2006.

- NE 40th Street and 150th Avenue NE (West) (BROTS 8.1). A northbound right-turn lane will be added.
- NE 36th Street and 148th Avenue NE (BROTS 79.0). Dual southbound left-turn lanes will be added, and the westbound approach will be widened to accommodate left, shared left-through, and right-turn lanes.
- Bel-Red Road and 156th Avenue NE (BROTS 22.3). A southbound right-turn lane will be added sometime after 1,400,000 net new gross square feet on the Microsoft Campus is developed.

Mitigation improvements related to the Microsoft Development Agreement include:

- NE 40th Street and 163rd Avenue NE. A traffic signal and eastbound right-turn lane will be added by December 31, 2006.
- NE 36th Street and 156th Avenue NE. An additional southbound left-turn lane will be added by December 31, 2006.
- NE 31st Street and 156th Avenue NE. An additional westbound left-turn lane will be added.

Transportation concurrency payments include:

- Grass Lawn TMD: \$300,000 for new signal at Old Redmond Road and West Lake Sammamish Parkway.
- Southeast Redmond TMD: \$1,100,000 for rechannelization improvements of East Lake Sammamish Parkway and NE 65th Street plus an additional northbound through lane.
- North Redmond TMD: \$300,000 for a new signal at NE 116th Street and 172nd Avenue NE.

Microsoft will also provide up to \$200,000 to study and plan a corridor enhancement plan for the NE 40th Street corridor between 148th Avenue NE and Bel-Red Road.

Further infrastructure improvements are included in the Nintendo Development Agreement, which is also outlined below. Improvements to be provided by Nintendo focus on transportation and concurrency mitigations, stormwater detention and other utility infrastructure.

Two transportation improvement projects are associated with the NDA. These include the installation of a traffic signal at the intersection of NE 51st Street and 150th Avenue NE and the construction of a right-in/right-out access point to and from 148th Avenue NE. These and four other projects within the City of Redmond will address concurrency impacts of Nintendo's development. These other projects include:

- Grass Lawn TMD: Construct a second northbound left-turn lane at 140th Avenue NE and Redmond Way (\$908,000).

- Grass Lawn TMD: Reimburse Microsoft for utilizing excess capacity generated by the installation of a new signal at Old Redmond Road and West Lake Sammamish Parkway.
- SE Redmond TMD: Reimburse Microsoft for utilizing excess capacity generated by the re-channelization improvements at East Lake Sammamish Parkway and NE 65th Street.
- North Redmond TMD: Reimburse Microsoft for utilizing excess capacity generated by the installation of a new signal at 172nd Avenue NE and NE 116th Street.

Finally, the NDA includes provisions related to utilities and stormwater management related to the property and off-site locations. To adequately convey stormwater runoff from the property to the Sammamish River, downstream conveyance systems may require some improvements.

Other major off-site utility infrastructure improvements include the following:

- Reconstruct portions of the Overlake North Sewer Basin downstream sewer trunk to serve future development in the basin. Replace approximately 600 lineal feet of existing 8-inch diameter pipe in 154th Avenue NE between NE 64th and NE 68th Streets with a new 10-inch sewer main. Replace approximately 1,100 lineal feet of existing 8-inch pipe in Old Redmond Road with a new 12-inch diameter pipe.
- Loop public water mains through the property and connect to existing water main stubs on the Microsoft Red-West Campus and existing public water mains in the adjacent right-of-ways.

SURROUNDING AREA

To the north and east of the Mixed-Use Core lies what is currently referred to as the Overlake Technology Center (OTC)—in this study, it is referred to as the Employment Area. This area is a major employment and manufacturing center in the region and is a critical employment center for the City of Redmond. This study also includes two multifamily areas that are directly connected to the Employment Area in Overlake. Further to the north and east of the Employment and Multifamily areas are single family neighborhoods. The western border of the Employment Area connects with the City of Bellevue's Bridle Trails Neighborhood. The northern border of the surrounding study area connects with the Grass Lawn neighborhood that is within the City of Redmond. Main access points to this portion of the study area include SR 520, 148th and 156th Avenues NE (which run north-south), and NE 40th and NE 51st Streets (which run east-west).

The vision for the Employment Area is to continue as a major corporate, advanced technology, research and development, and compatible manufacturing hub for Redmond and the region. The area is envisioned to maintain its campus-like feel, with significant trees and tree clusters.

The following section contains information on the following aspects about the surrounding study area: demographics; business and employment information; land use patterns (including land ownership); zoning and development regulations (including existing and potential development under existing FARs); environmental features; existing and planned transit service; existing and planned utilities (including the water and sewer systems); and, parks, open space and the arts.

Demographics⁵

The 2005 total population within 1 mile of the area centered on NE 24th Street and 152nd Avenue NE was estimated at 13,040 persons distributed among 5,860 households in both Redmond and Bellevue. Only 8% of these households are located within Redmond's City limits—these residences are solely within the Mixed-Use Core, as the households in the Multifamily Areas are just beyond the 1 mile radius of the demographic analysis area. Approximately 38% of the housing units in the area are owner-occupied, 53% are rented, and 9% were vacant, as of October, 2005. The largest age group in the area is 25-34, making up 19.2% of the population. Another 39% of the population is between the ages of 35 and 64. Minors make up approximately 20% of the population, with the median age of the area being 36.4 years. The area is largely white (62.7%) and approximately one quarter of the population is Asian or Pacific Islander (26%).

Of persons over age 25, approximately 37% have a Bachelor's degree or higher while 22% have only a high school diploma. Another 31% have some college or an Associates degree. The median household income in the area in 2005 is \$52,987 and per capita income stands at \$30,306.

Compared with the overall City of Redmond, significantly more renters can be found in the Overlake area and vacancy rates are basically the same. The Overlake area is more ethnically diverse than the City as a whole. The percentage of residents in Overlake with some college or Bachelor's degrees is somewhat lower than that of residents in Redmond overall. The median income of the area is significantly lower than that of the overall City: \$52,987 in Overlake compared to \$74,917 in Redmond generally.

Compared with Redmond overall, the Overlake area has more renters, higher diversity, lower median income, and more households that don't own cars (10%).

One interesting statistic to note is the percentage of households that don't own cars. In the Overlake area that was analyzed, approximately 10% of the households do not own an automobile which is more than twice the percentage of all Redmond households that don't own cars. Slightly more households in Overlake own 1 car than in Redmond generally (47% versus 38%) but significantly fewer households in Overlake own 2 or more cars than in Redmond overall (43% versus 57%). These numbers suggest that an HCT transit stop in the Mixed-Use Core could be well used.

Past and future trends for the area have also been identified and are presented in Table 20 below. Overall residential growth in the Overlake area is projected to be slower than both residential growth in the overall City of Redmond and in the City of Bellevue. Much more growth is projected to occur in Downtown Redmond, where current projects are in the pipeline and will be coming online in the next several years. As the capacity for housing in Downtown Redmond begins to be filled, more housing will be directed to the Overlake neighborhood. Residential growth in the neighborhood is more likely to increase after 2010 and especially with extension of HCT service through the area.

⁵ A demographics analysis was performed on the Overlake area by DemographicsNow. The analysis considered an area with a 1 mile radius extending from the center point at NE 24th Street and 152nd Avenue NE. This analysis includes not only portions of the Overlake study area, but also some neighboring portions of the City of Bellevue. The area is shown in Map 21.

Map 21: Demographic Analysis Area

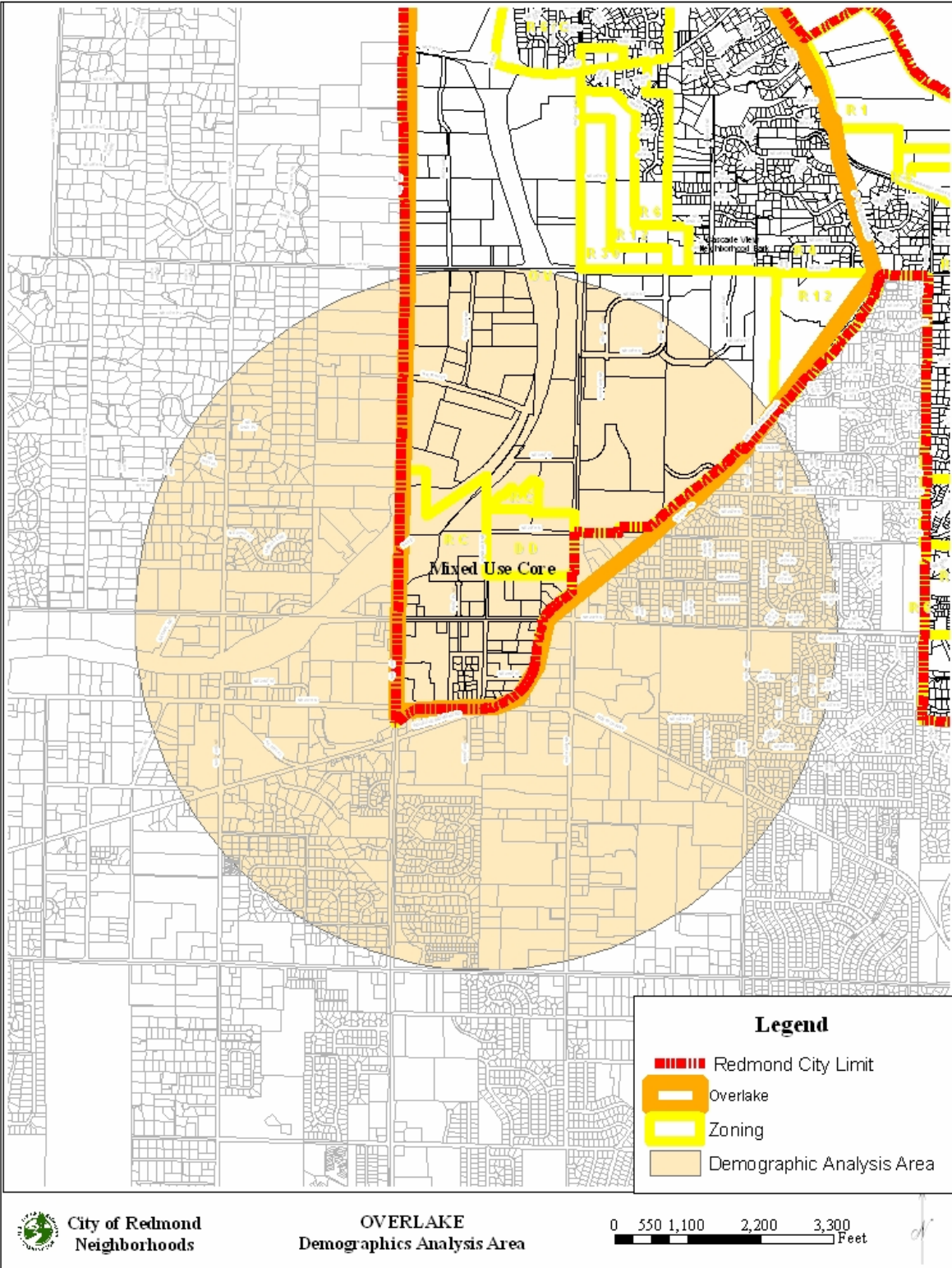


Table 20: Past and Future Demographic Trends

Trend	Overlake	Downtown	Redmond	Bellevue
Population (1990-2000)	10.1%	38.8%	29.0%	11.4%
Population (2005-2010)	-1.0%	2.9%	4.0%	1.0%
Household (1990-2000)	6.6%	60.1%	39.6%	14.0%
Household (2005-2010)	1.1%	5.0%	6.3%	3.5%
Housing Units (1990-2000)	6.6%	62.3%	40.1%	15.0%
Housing Units (2005-2010)	2.5%	6.6%	7.9%	5.5%

An analysis of the demographics information presented above by New Home Trends suggests that the most likely market segment for housing in the Overlake area, particularly in the Mixed-Use Core, will be Generation Y: those born between 1977 and 2004. These households will generally be without children and will be seeking higher density developments close to services and shopping. They tend to desire walkable neighborhoods that are safe, have social gathering places (such as parks, community centers, libraries, bookstores, or coffee shops) and local shopping within walking distance and are close to transit. Housing prices in Overlake are likely to be lower than those in Downtown due to lower land costs, which will attract a somewhat more moderate income segment of Generation Y.

Business and Employment Information⁶

A total of 386 businesses are located in the Overlake Neighborhood. This number includes commercial businesses (281) as well as businesses run out of the home (102) and outside businesses (3). Home businesses employ approximately 110 people in the area while commercial businesses employ over 32,000 people; for the purposes of this report, only information pertaining to commercial businesses has been analyzed and will be discussed below. Employee numbers range from less than 1 to over 25,000 and total 32,729. Table 21, below, details the range of employees (as full-time equivalents) found at commercial businesses in the area.

Table 21: Range of Employees in Overlake Neighborhood Commercial Businesses

Range	# of Businesses	Total # of Employees in Category
Under 1	2	1
Only 1	53	53
1.01 - 5.00	93	278
5.01 - 10.00	48	331
10.01 - 20.00	44	630
20.01 - 100.00	29	1,267
100.01 - 1000.00	10	3,144
Over 1000.00	2	26,867

The 2 businesses that employ over 1,000 people are Microsoft Corporation and Honeywell International Incorporated. Microsoft is by far the largest employer in the Overlake Neighborhood, employing well over 50% of the workers in the area. Other businesses in the neighborhood that employ over 100 people include Sears Roebuck, Seven Seattle, Grubb and Ellis Management Services, Group Health Permanente, SNC-Lavalin Constructors, American Building Maintenance, Siemens Business Services, Eddie Bauer, Eurest Dining Services, and Nintendo of America. Two of these businesses, Group Health and Sears, are located within the Mixed-Use Core.

Two businesses employ over 1000 people in the Overlake Neighborhood: Honeywell International and Microsoft.

Service businesses employ 56% of non-Microsoft employees and 91% of all employees in the area.

Overall, 41 categories of businesses exist within Overlake—these have been combined into 8 broader divisions. Figure 6 describes the number of commercial businesses within each division that are located in the Overlake Neighborhood.

⁶ This section is based on information from the City of Redmond's Business License Data. Since the data could not be limited to the study area for this report, this section pertains to the entire Overlake Neighborhood.

Figure 5: Breakdown of Overlake Commercial Business Types

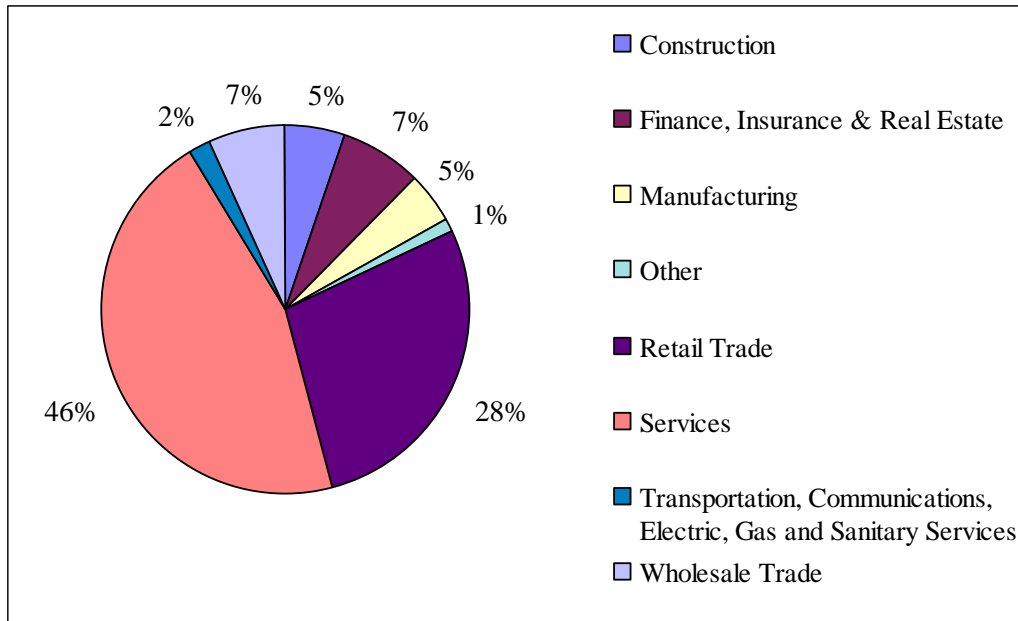


Table 22: Number of Employees by Division in the Overlake Neighborhood

Division	# Employees	Percentage
Construction	192	1%
Finance, Insurance and Real Estate	273	1%
Manufacturing	238	1%
Other	19	< 1%
Retail Trade	1,459	4%
Services	29,603	91%
Transportation, Communications, Electric, Gas and Sanitary Services	37	< 1%
Wholesale Trade	750	2%

Table 22, above, describes the number and percentage make-up of people employed in the various business divisions within the Overlake Neighborhood. Since Microsoft's number of employees is such an outlier in the data set, it is interesting to note how the relative importance of each employment division changes when Microsoft, a service business, is removed from the data set. Even with the removal of Microsoft, the Services division is still the largest employer in the area, but the relative importance of retail trade and wholesale trade increases significantly to 22% and 11% respectively.

The following tables further break down the services and retail trade divisions which make up a total of 74% of businesses and employ 95% of workers in the area. The largest categories for the retail trade and services divisions are Eating and Drinking Establishments and Business Services, respectively. When Microsoft employees are removed from the data set, the importance of some of the other service categories is increased; for instance, the percentage of employees in the En-

gineering and Accounting category jumps from 5% to 37%, and that statistic for the Miscellaneous Repair category jumps from 2% to 17%.

Table 23: Percentage of Businesses and Employees in each Retail Trade Category

Retail Trade Category	Percentage Businesses	Percentage Employees
Apparel and Accessory Stores	9%	45%
Automotive Dealers and Gasoline Service Stations	4%	1%
Eating and Drinking Places	37%	23%
Food Stores	4%	8%
General Merchandise Stores	3%	8%
Home Furniture, Furnishings, and Equipment Stores	12%	8%
Miscellaneous Retail	32%	8%

Table 24: Percentage of Businesses and Employees in each Service Category

Services	Percentage Businesses	Percentage Employees
Amusement and Recreation Services	2%	< 1%
Automotive Repair, Services and Parking	3%	< 1%
Business Services	35%	91%
Educational Services	3%	< 1%
Engineering, Accounting, Research, Management and Related Services	15%	5%
Health Services	15%	1%
Hotels, Rooming Houses, Camps, and other Lodging Places	1%	< 1%
Membership Organizations	1%	< 1%
Miscellaneous Repair Services	9%	2%
Motion Pictures	1%	< 1%
Personal Services	10%	< 1%
Social Services	5%	< 1%

The oldest businesses in the neighborhood opened in 1976, these include Sears, Bank of America and Paroscientific, Inc. A total of 14 businesses that still exist were opened in the 1970s. Of the remaining commercial businesses in the area, 43 opened during the 1980s, 136 opened in the 1990s, and 88 opened between 2000 and 2003. This could have some implications for the economic stability of the area. Relatively younger companies have higher failure rates than those that have weathered many years—over one third of the businesses in Overlake may be susceptible. This may not be a significant factor in the employment outlook for the area, however, due to the large and relatively stable status of Microsoft, the largest employer, who has recently signed a 20-year Development Agreement with the City of Redmond, discussed below.

Office vacancy rates, provided by CB Richard Ellis, are not available for the Overlake neighborhood on its own, but are available for neighboring areas as well as the City of Redmond. Red-

mond had slightly lower office vacancy rates in the second quarter of 2005 than the Eastside overall (11.53% compared to 11.93%). However, the Bel-Red Road corridor had slightly higher office vacancy rates than the overall Eastside (11.99% compared to 11.93%). The Bel-Red Road corridor has a slightly different commercial make-up than the Overlake Employment area (commercial and light industrial as opposed to office and technology), so comparison of vacancy rates for the areas may not be appropriate.

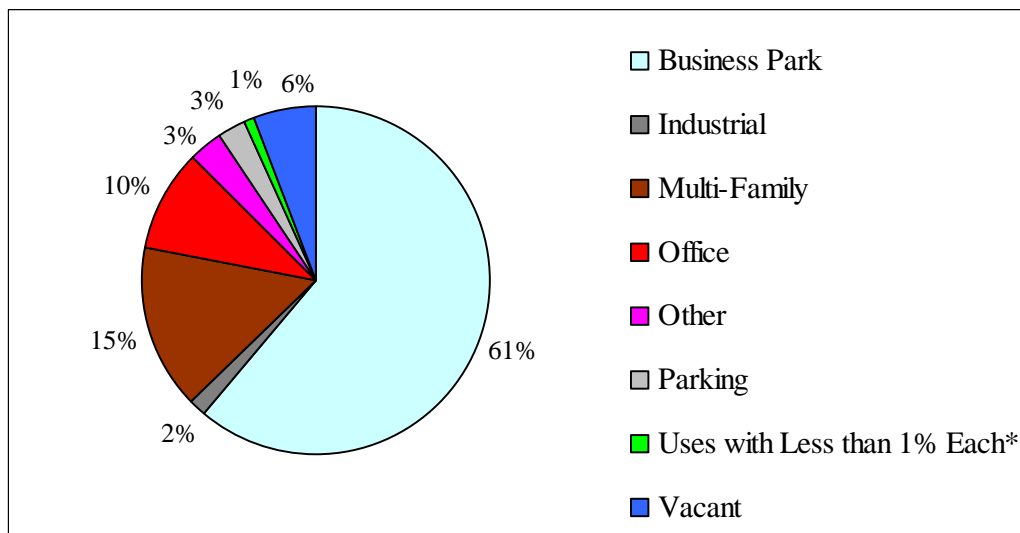
Vacancy and rental rates are available for specific properties in the Overlake study area. In August, approximately 26% of the 300,000 square feet of office space at the Overlake Business Center in the Mixed-Use Core was available for lease. In late October, 2005, OfficeSpace.com listed 9 office locations up for lease at rental rates from \$14 to \$24 per rentable square foot.

Land use patterns

A majority of the Employment Area is zoned OV for the Overlake Business and Advanced Technology zone. The specifics of this zoning are discussed below. Other sections of the surrounding study area are zoned for high density residential ranging from R-12 to R-30. Map 22 depicts the land uses as they are located in the area. Business parks exist on slightly more than half of the parcels in the area and make up over more than half of the total acreage (61% or 415 acres). Other significant land uses in the surrounding study area include multi-family (almost 16%) and office uses (almost 10%). Five parcels in the surrounding study area are vacant—two of these are owned by Nintendo and one is owned by the City of Redmond. Four land use categories in the area cover less than 1% of the land; these include institutional, parks, retail and single family uses. The figure below further details the make-up of primary land uses in the area, excluding right of way.

Over 70% of land in the Employment Area is devoted to business parks or office uses. Multi-family uses can be found on 16% of the land.

Figure 6: Percentage of Land in the Surrounding Study Area Devoted to Particular Land Uses

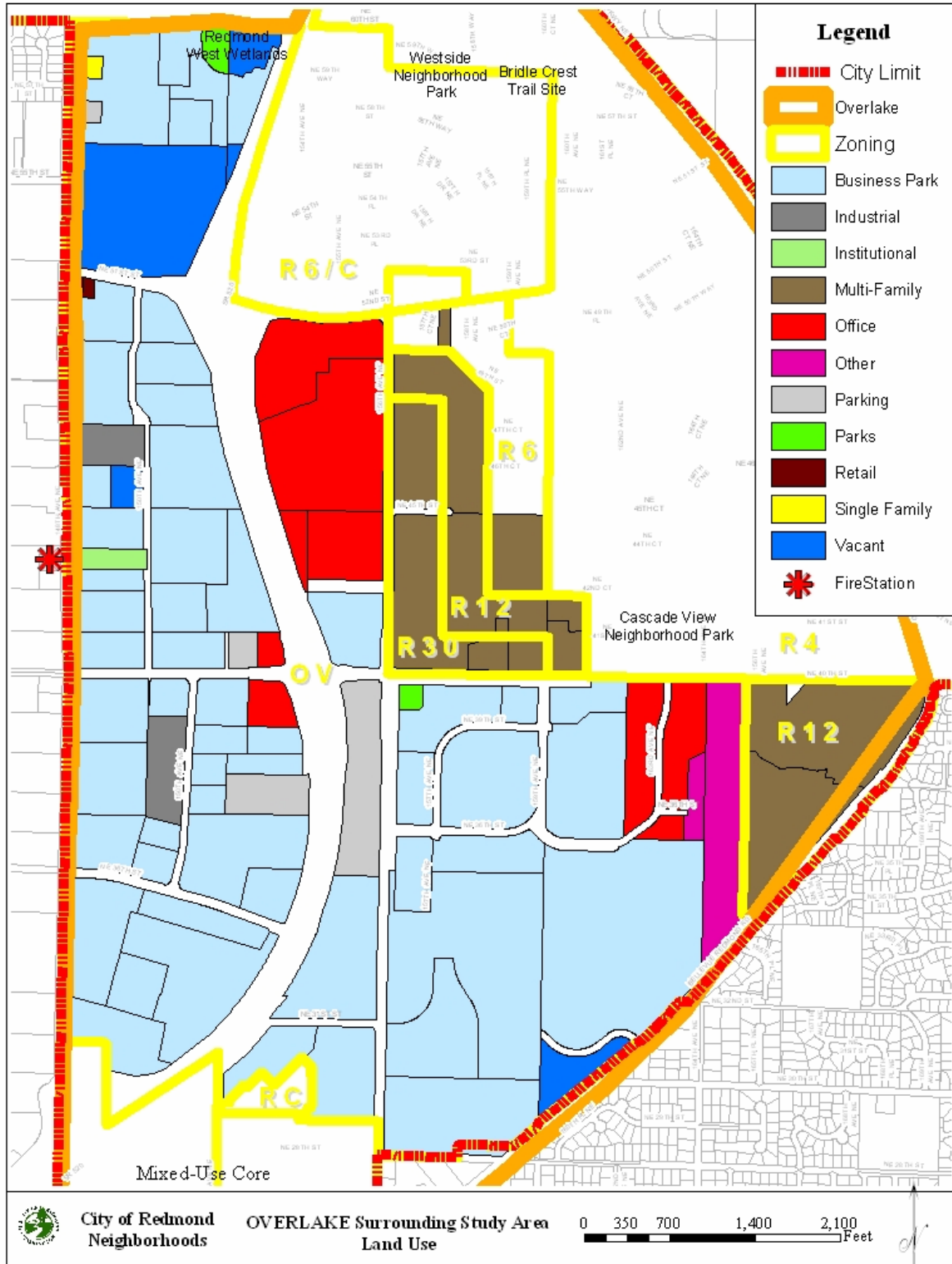


*Uses with less than 1% each include institutional, parks, retail and single family.

Built commercial square footage in the area totals approximately 8.5 million square feet. Of this, business parks make up nearly 88% (7,472,421 square feet) and office uses make up slightly over 11% (982,900 square feet). Industrial and retail uses account for the remaining built commercial space with 40,207 and 5,260 square feet respectively. One parcel is considered an institutional use: VWF Post 2995. There are a total of 1,390 multifamily units in the surrounding study area and 1 single family home. Multifamily complexes in the area include Bellaire Place Apartments, Cambrian Apartments, Evergreen Park Apartments, Harper Hill, Ravenswood at the Park Apartments and Timberlawn Apartments.

As discussed in the Mixed-Use Core section, a police substation and Fire Station #12 can be found in the Employment Area. The police substation is located at the Overlake Transit Center

Map 22: Surrounding Study Area Existing Land Use



at NE 40th Street and 156th Avenue NE. Fire Station #12 is located along 148th Avenue NE. There are currently no plans to upgrade either of these stations.

Land Ownership

Although the surrounding study area is roughly 5 times as large as the Mixed-Use Core, there are fewer property owners. This can be explained not only by the larger average parcel size in the area but also by the fact that one landowner in particular owns over 50% of the land. As noted in Table 25 below, over 84% of the land is owned by just 12 individuals, corporations or groups. In addition to being the largest employer in the area, Microsoft Corporation is also the largest property owner, owning 360 acres on 41 parcels. Microsoft recently signed a Development Agreement with the City of Redmond, the details of which are discussed in a later section. The next largest land owner, Nintendo of America, which owns slightly more than 8% of land in the surrounding study area, has also recently signed a Development Agreement with the City.

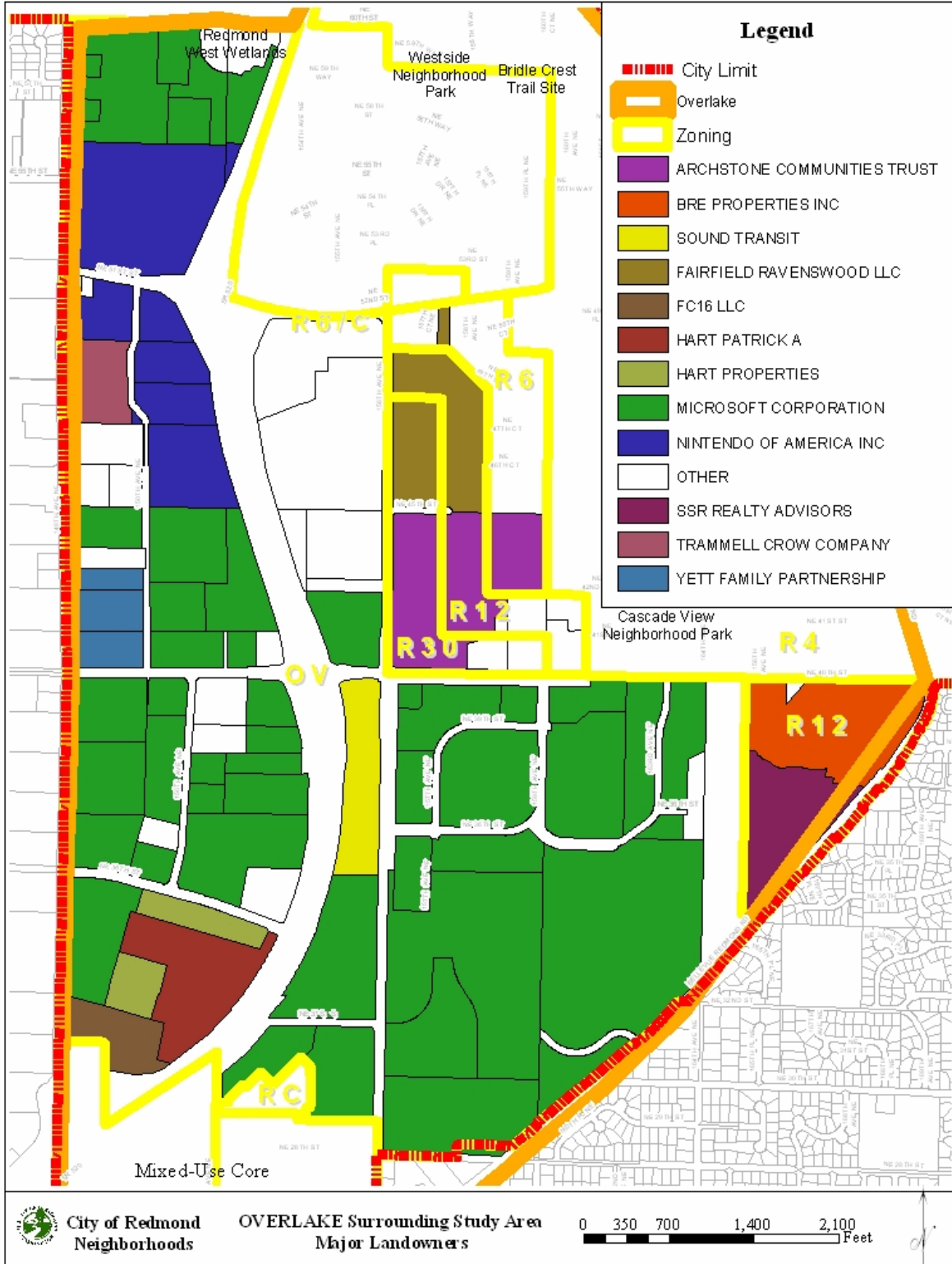
Map 23 depicts the ownership pattern of those land owners who hold seven or more acres of property in the area (at least 1% of land). For those property owners who own more than one parcel, these parcels are generally contiguous to one another, with the exception of Microsoft, which owns adjacent parcels scattered throughout the surrounding study area.

Table 25: Property Owners who own 7 or more Acres in the Surrounding Study Area

Owner	# of Parcels	Acres Owned	Percentage
Microsoft Corporation	41	360	52.9%
Nintendo of America Inc	8	57	8.4%
Archstone Communities Trust	1	31	4.5%
Fairfield Ravenswood LLC	1	23	3.4%
BRE Properties	1	22	3.2%
Patrick A Hart	1	17	2.6%
SSR Realty Advisors	1	16	2.4%
CPSRTA	1	11	1.7%
Yett Family Partnership	3	11	1.6%
Hart Properties	2	9	1.4%
Trammel Crow Company	1	8	1.1%
FC16 LLC	1	8	1.1%
Total	62	573	84.2%

There is little public land in the Employment Area. Sound Transit owns 11 acres along SR 520 at NE 40th Street: this is the Overlake Transit Center. As noted above, a fire station and police substation are found in the Employment Area. There are two parcels designated for park usage: the Redmond West Wetlands and a parcel of open space in the southeast corner of 156th Avenue NE and NE 40th Street owned by Microsoft. A discussion of parks and the transit facility can be found below.

Map 23: Surrounding Study Area Major Landowners



Zoning & Development Regulations

The Overlake Business and Advanced Technology (OV) zone helps implement comprehensive plan policies calling for the creation of a high wage employment center to serve the region and an Advanced Technology Center at Overlake. The zone provides for advanced technology uses, research and development uses, corporate offices, compatible high tech manufacturing, distribution uses and uses that serve these uses and nearby neighborhoods. Development standards provide for a low to moderate intensity of development to match the available public facilities, especially those for transportation. These standards also provide for attractive developments with significant areas of trees and open space. Development regulations to enhance compatibility between the uses in this zone and neighboring residential areas are also included. New development and redevelopment should encourage walking, biking, carpools, vanpools and transit use. The mix of allowed uses is also intended to help reduce motor vehicle trips in the area.

Besides minimum and maximum FAR designations, other regulations apply to the OV zone. These regulations are further described in Table 26 below.

Table 26: Redmond Community Development Guide Standards for Employment Area

Standard	Overlake Business and Advanced Technology Zone
Max Height	60 feet An additional story may be achieved with TDRs
Max Impervious Surfaces	80%
Min Lot Frontage	30 feet
Building front and street setbacks	10 feet Streets with the Green Street designation have min setback of 27 feet and max setback of 45 feet
Rear and side setbacks	20 feet, subject to landscaping
Min Landscaping	Addressed through landscaping standards
Off-street parking min	Min 1, max 2 per unit
Other	Min tract area 1.5 acres for residential development

Mixed use development is allowed. Residential mixed-use development is permitted when the residential portion of the project is located above the ground floor of the building. Limited retail and service business uses are permitted in multi-tenant buildings. Additional building height and FARs are allowed for residential uses.

To provide convenient retail and service uses within the OV zone to serve area employees and nearby residents, a convenience commercial cluster is allowed but the location has yet to be selected from identified possible sites. Providing such services in the employment area is intended to reduce motor vehicle trips and the impact they have on the community and environment. Convenience commercial uses are also allowed as an accessory use to the Overlake Transit Center at NE 40th Street.

Two transitional buffers exist within the Employment Area and both are intended to screen the uses across the streets from the buildings, uses, and activities adjacent to the buffer. One of these

is adjacent to NE 40th Street. It is 50 feet wide along the south side of 159th Avenue NE for a length of approximately 300 feet. The second is the Redmond West Buffer which is provided for in covenants, conditions and restrictions. The buffer is 300 feet along 148th Avenue NE and 50- to 75-feet wide along the north boundary of the property.

Green streets are designated on NE 51st and NE 40th Streets and 156th Avenue NE in the Employment Area.

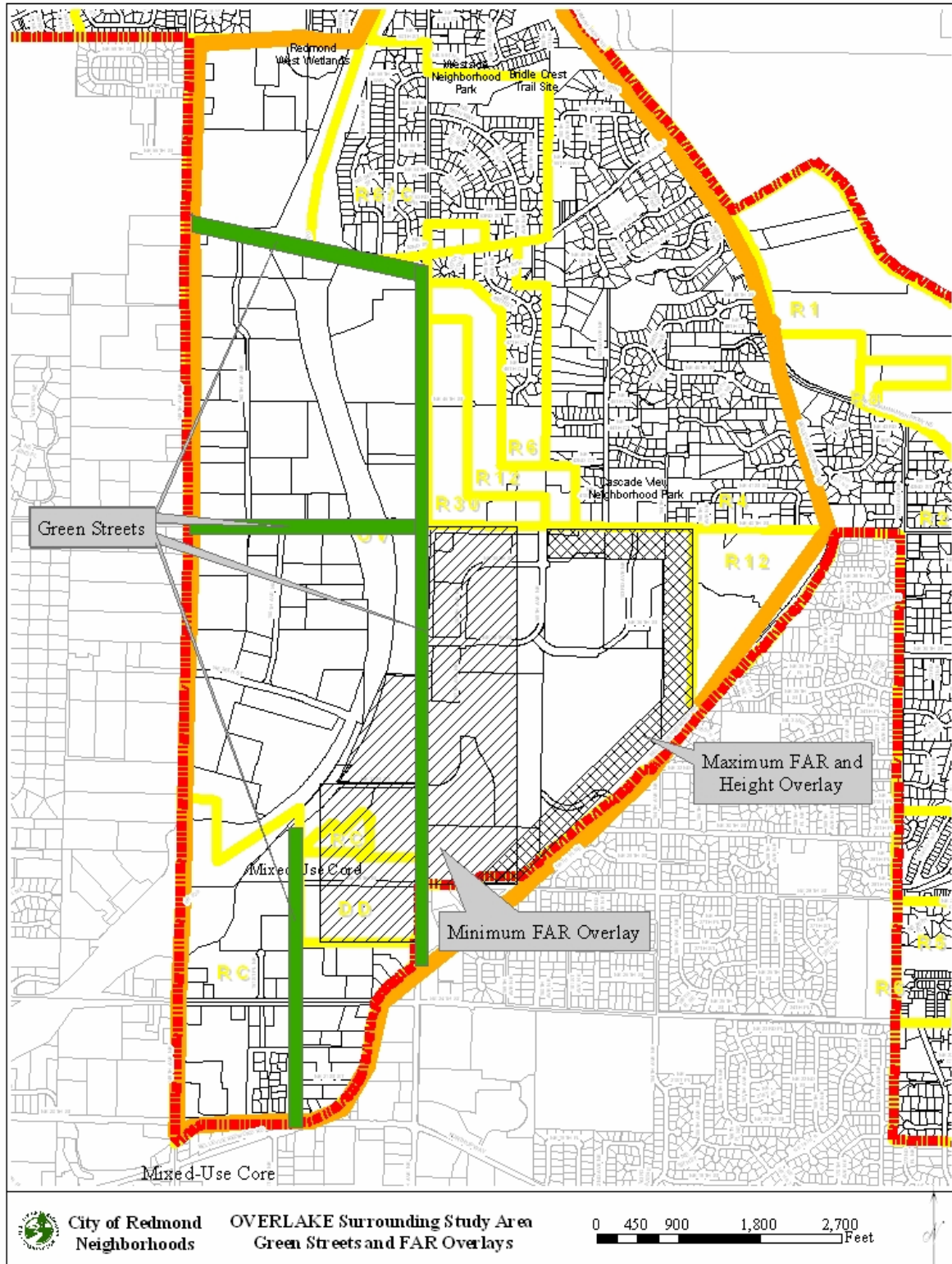
The Employment Area contains some Green Streets, which are illustrated in Map 24. However, Nintendo has submitted an application to remove the Green Street designation from NE 51st Street. Additional setback standards apply to parcels fronting Green Streets. These basic setback standards are included in Table 26 above. The Redmond Community Development Guide should be consulted for more information on standards for applying these setbacks and also for information on an alternative maximum setback option for large developments on Green Streets.

Existing and Potential Development under Existing FARs

Within the Overlake Business and Advanced Technology (OV) zone, the maximum FAR for non-residential uses is 0.40, or 0.47 with TDRs. A portion of this area falls within the Minimum FAR Overlay mentioned in the FAR discussion in the Mixed-Use Core section. In addition, a Maximum FAR and Height Overlay applies to a small section of the Employment Area. The Minimum and Maximum FAR and Height Overlays are also depicted in Map 24. FAR in this overlay is limited to 0.30 and height is capped at 45 feet. The overlay is 300 feet wide measured perpendicular to the east and north property line for the area shown in the map. This area abuts single family homes and the overlay helps to create a transition zone between office and residential uses.

The FAR for residential uses in the OV zone is 0.68. Residences are allowed in upper stories where no adverse impacts to surrounding businesses or residences are identified. Updated land use policies in 2005 call for allowing free standing residential buildings. These regulations could be updated in 2006. Multi-use buildings in the area may combine the allowed FARs for residential and non-residential.

Map 24: Green Streets and FAR Overlays



Environmental Features

The topography of the Overlake neighborhood is primarily flat in areas south of NE 40th Street, with steep slopes in areas to the north. The slopes of the northern portion range from 15-25% and elevations vary from 47 to 394 feet. The geology of the neighborhood is dominated by glacial till, as noted above.

Map 25 depicts environmental features in the Employment Area and in the nearby single-family areas of the Overlake Neighborhood. Streams are prevalent in the area along SR 520. A few others can be found in parcels along NE 36th Street and 150th Avenue NE, along 163rd Avenue NE near NE 36th Street, and near the Red-West Wetlands. Two ponds exist at the Overlake Transit Center along 156th Avenue NE. Seven others can be found in the surrounding study area: 1 near the intersection of NE 51st Street and SR 520, and approximately 6 more near 159th/163rd Avenues NE and NE 36th Street. Two wetlands are identified in 2 parcels in the southeast portion of the surrounding study area.

A majority of the environmental features that might place restrictions on development are found in the single-family neighborhoods to the north and east of the Employment Area. Numerous wetlands are present there as well as areas at risk for erosion and landslides. Few Native Growth Protection Easements are located in the Overlake Neighborhood, but those that do exist are found in the single-family neighborhoods.

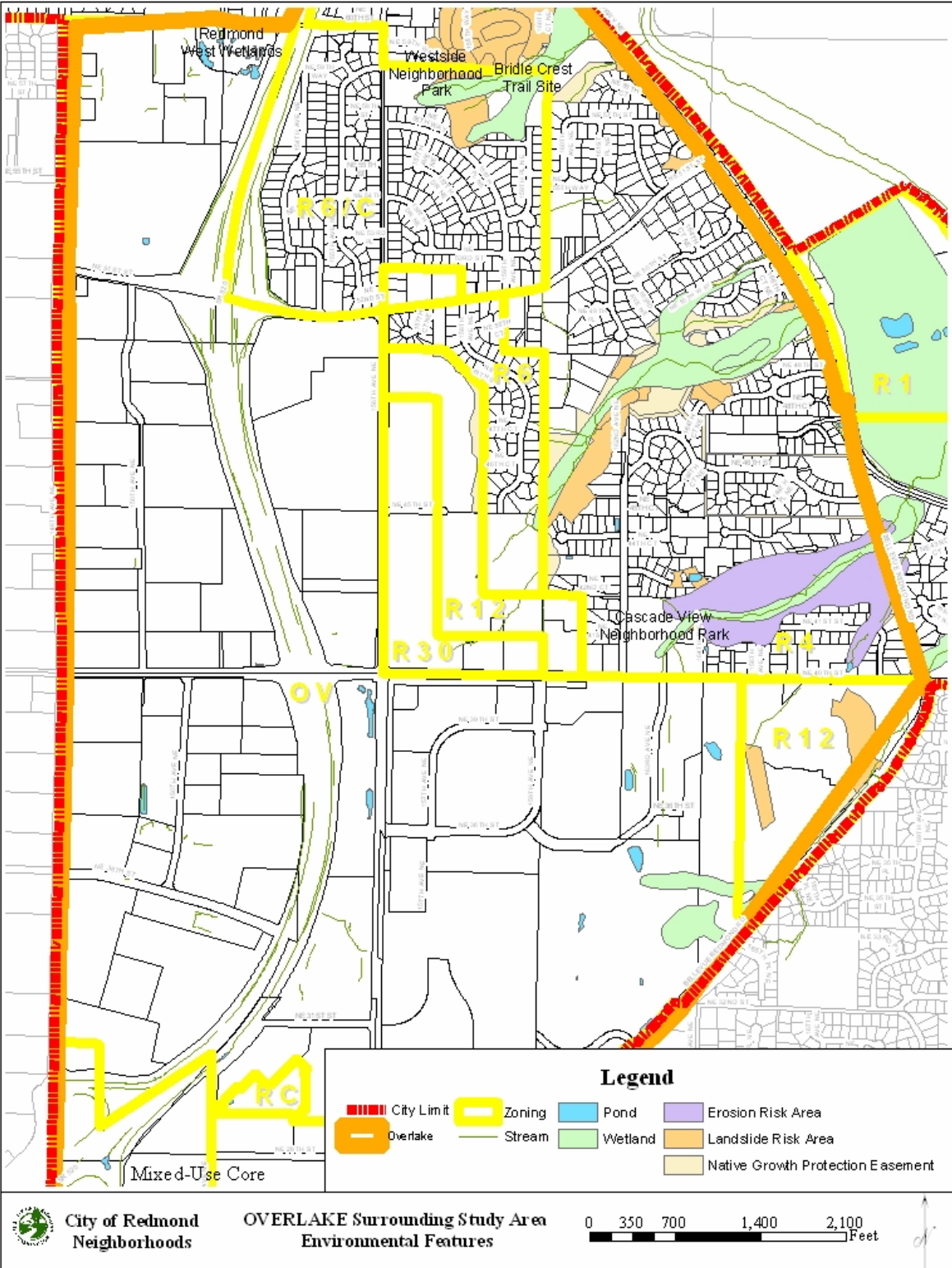
Most environmental features that might place restrictions on development are found in the single family neighborhoods to the north and east of the Study Area.

In 1999, an EIS was issued for the BROTS Agreement. Light and glare, air quality and noise pollution were examined for the BROTS Study Area, the Redmond section of which largely overlaps with this report's study area. Although the information is somewhat dated, new analysis of these issues has not occurred and the results provide some background on these topics in the Mixed-Use Core and the Employment Area. Highlights of the key results include:

- Light and glare: Residential areas next to highly trafficked streets such as 148th Avenue NE, NE 40th Street and Bel-Red Road have impacts from auto headlights and ambient light from streets, buildings and parking lots at night.
- Air quality: A burden analysis for 1995 and 2010 showed the potential for high (70-74% of standard) 8-hour CO levels at congested intersections in the area. At the time of the study, estimated 8-hour levels reached or exceeded the limit at all 148th Avenue NE intersections.⁷
- Noise pollution: In the study area, the decibel level at all noise monitoring stations exceeded the EPA recommended maximum for residential locations (55 dBA). Noise levels during peak traffic hours at the stations closest to the Mixed-Use Core and the Overlake Technology Center exceeded the Federal Highway Administration's maximum of 67 dBA. The dominant source of noise in the area is traffic, with bus activity and vehicles in parking lots as secondary sources.

⁷ The standard 8-hour CO average concentration is 9 ppm (parts per million). This limit can be exceeded once per year without violating EPA standards.

Map 25: Surrounding Study Area Environmental Features



Existing and Planned Transit Service

The Overlake Transit Center is located at NE 40th Street and 156th Avenue NE, adjacent to SR 520. A variety of routes, 13 in all, serve the Transit Center, including 3 Sound Transit regional express routes (545, 564, 565), a Community Transit route from Snohomish County (441), and 11 local and regional Metro routes (222, 225, 229, 230, 232, 233, 245, 247, 256, 268, and 269). These routes serve a variety of destinations including: the downtowns of Redmond, Bellevue, Kirkland, and Seattle; Park and Rides at Overlake, Bear Creek, Eastgate, Kingsgate, Renton,

The Overlake Transit Center is served by 11 Metro routes, 3 Sound Transit routes, and 1 Community Transit route.

Kent, Auburn, Brickyard, Canyon Park, and Lynnwood; employment centers such as Microsoft and Boeing; and, other popular destinations such as Bellevue Community College, and Factoria and Crossroads Malls. In addition to these locations, some routes serve outlying areas as well, including Duvall, Sammamish, and Issaquah. In the first quarter of 2003, a total of 409 revenue service hours were allocated to the Overlake Transit Center. Historically, an average of 312 service hours each year has been allocated to stops in this vicinity. The Transit Center has a much higher utilization rate than the Overlake Park and Ride—in 2003, utilization at the Park and Ride was 65 percent.

Other transit stops for King County Metro and Sound Transit routes are distributed throughout the rest of the study area. Map 26 identifies locations for these stops. As in the Mixed-Use Core, few transit stops in the area provide shelter for those waiting for a bus to arrive; many of these shelters are on 156th Avenue NE. Many of these stops, including those in the Mixed-Use Core, are accessible via crosswalks with pedestrian actuation, but there are a few stops at mid-block locations with no signal nearby.

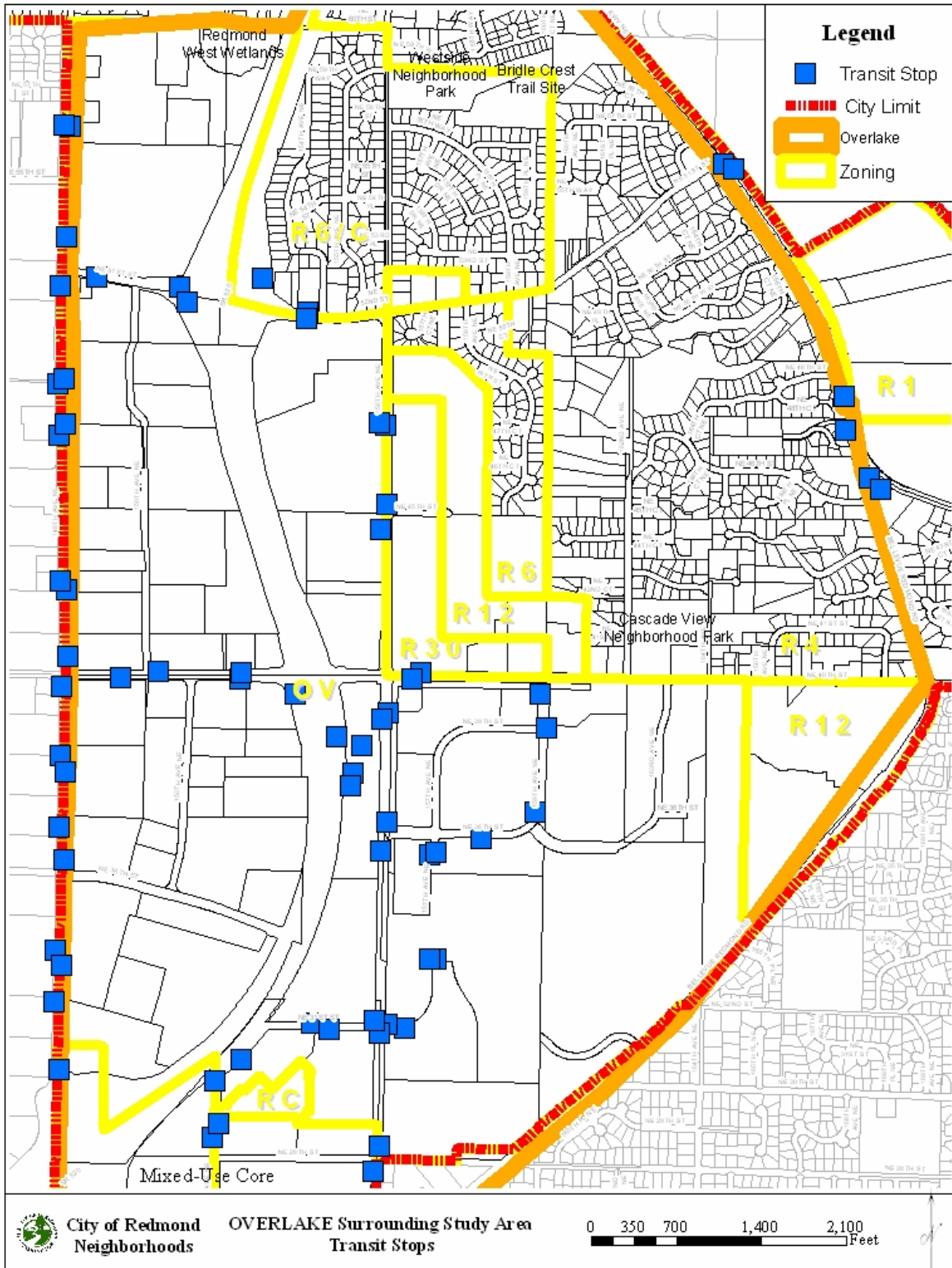
The average trip length to other key locations in Redmond is much shorter than the trip length to these locations from the Overlake Park and Ride in the Mixed-Use Core. The Grass Lawn TMD can be reached within 5 minutes and the longest trip is to Downtown Redmond TMD at only 13 minutes. The Overlake Transit Center is not as well connected to other Redmond TMDs as the Overlake Park and Ride is, however—4 locations have no direct routes from Overlake Transit Center, including Redmond Town Center, and the NE Redmond, Willows and Viewpoint TMDs.

4 key locations, including 3 TMDs, in Redmond do not have direct routes to or from Overlake Transit Center.

Table 27: Current Overlake Transit Center Connections with Other Redmond Locations

Location	Routes	Time
Downtown TMD	230, 232, ST545	11-13 mins
Redmond Town Center	No direct routes	
NE Redmond TMD	No direct routes	
Overlake Mixed-Use Core	222, 242, 247, 269	8 mins
Grass Lawn TMD	245	5 mins
SE Redmond TMD	233, ST 545	10-12 mins
Willows TMD	No direct routes	
Viewpoint TMD	No direct routes	

Map 26: Surrounding Study Area Transit Stops



Currently, the best peak hour bus frequency at Overlake Transit Center for those routes traveling to the Mixed-Use Core is 30 minutes. By 2022, the standard for best peak hour bus frequency will be 15 minutes.

As discussed in the Mixed-Use Core transportation section the LOS objective for transit hours linking Redmond destinations is 18 hours for each linkage. Overlake Transit Center has adequate transit hours for its connections to Downtown (20 hours) and Overlake Mixed-Use Core (20 hours), but is lacking in its transit hours for the connection to SE Redmond (13 hours). The Transit Center has direct connections to Downtown, the Overlake Mixed-Use Core and SE Redmond (Bear Creek Park and Ride), but is lacking in direct connections to Redmond Town Center and NE Redmond.

There are currently two major corridors in the Employment Area that are utilized by transit: 148th and 156th Avenues NE from NE 31st to NE 51st Streets. The 148th Avenue NE corridor has a mix of moderate density residential and campus-style office parks and has historically been served by an average of 8 stops and 7 transit routes. This corridor is pedestrian tolerant but has no separate bicycle facilities. The 156th Avenue NE corridor is mostly campus-style office parks with some low to moderate density residential and has historically been served by an average of 18 stops and 10 transit routes. This corridor has off-street bicycle facilities and is pedestrian tolerant; some portions could be considered pedestrian friendly, but do not have supporting land uses. Ridership tends to be highest along these 2 corridors and along routes that have stops on SR 520.

As in the Mixed-Use Core, transit speeds are low throughout the rest of the Overlake study area. Improving transit speeds through congested areas or along other major corridors would help improve service to the area. Average speeds in this area do not reach above 20 miles per hour.

For the Overlake TMD as a whole, the current mode split target for work trips is 18% non-SOV (single-occupancy vehicles). The area has done more than achieve this goal, with the actual current mode split at 25%; it is on track to meet the 2012 mode split target of 30% non-SOV. The overall district includes 18 employers that are affected by the Commute Trip Reduction (CTR) law; these employers use a variety of methods to improve the non-SOV mode share including private shuttles, reserved parking for carpools and vanpools, transit and vanpool subsidies, bicycle parking and flexible work schedules. Businesses in the area that participate in CTR include: Compass Group, Eddie Bauer, Group Health, Honeywell, Microsoft, Nintendo of America, Safeco, Sakson and Taylor, Siemens Business Services, and SNC-Lavalin.

The Overlake Transit Center location could support a variety of transit technologies.

As mentioned above, it is anticipated that an HCT connection into Redmond will be under construction and in service by 2022. Destination 2030 and the Sound Transit Long-Range Plan identify the Employment Area as an area that will be served by HCT in the future. Currently the area has regional express bus service to Downtown Seattle, Bellevue, Auburn, and Federal Way. The Overlake Transit Center was constructed in the heart of the Employment Area at NE 40th Street in 2002 to serve Sound Transit and Metro buses and Microsoft shuttles. This location, near the SR 520 corridor, would support HCT.

HCT in the Employment Area is critical to the long-term vitality of the area. Currently, there is more demand for regional transit service in the area than is provided. As a result, Microsoft, a major employer in Employment Area, runs a system of shuttles to link regional transit to Microsoft campus buildings. Employees can use Sound Transit regional express buses and other regional Metro routes for their commute. Ridership has grown during peak hours, but midday travel has remained stable. Until an HCT system is completed, more regional express bus service to other urban centers is desired for this area.

Existing and Planned Utilities

Water System

A majority of the study area falls within the Overlake/Viewpoint service area. A small portion of the study area, between NE 60th and NE 51st Streets, is served by the Rose Hill service area and the 545 pressure zone. This zone, like the Overlake/Viewpoint service area, is supplied from the TESSL via multiple connections. Water storage for this area is provided by the Bellevue/Kirkland/Redmond South Reservoir. It supplies the Bellevue 545 pressure zone, which in turn supplies the Bellevue/Redmond 520 pressure zone in the Overlake/Viewpoint service area through 2 pressure reducing valves (PRVs).

The Overlake/Viewpoint service area is divided into 4 pressure zones: 520, 465, 415, and 335. The first 3 pressure zones can be found within the study area and the latter services the Viewpoint neighborhood. Information pertinent to the Overlake/Viewpoint service area and the 520 pressure zone in particular, can be found in the Utilities discussion in the Mixed-Use Core section above. Of note, the 520 pressure zone also serves Redmond's 465, 435, 415, and 335 pressure zones in the Overlake/Viewpoint service area through a series of PRVs. The 465 and 415 pressure zones are not equipped with storage tanks. These pressure zones, as well as hydrants and water pipes, are depicted in Map 27.

The Overlake/Viewpoint service area overall currently has a storage shortfall; additional storage will be necessary in the future. As mentioned above, the need for increased storage capacity in the area will become greater as the City transitions from 2 water supplies to a single source. This issue will be examined in future water system plans.

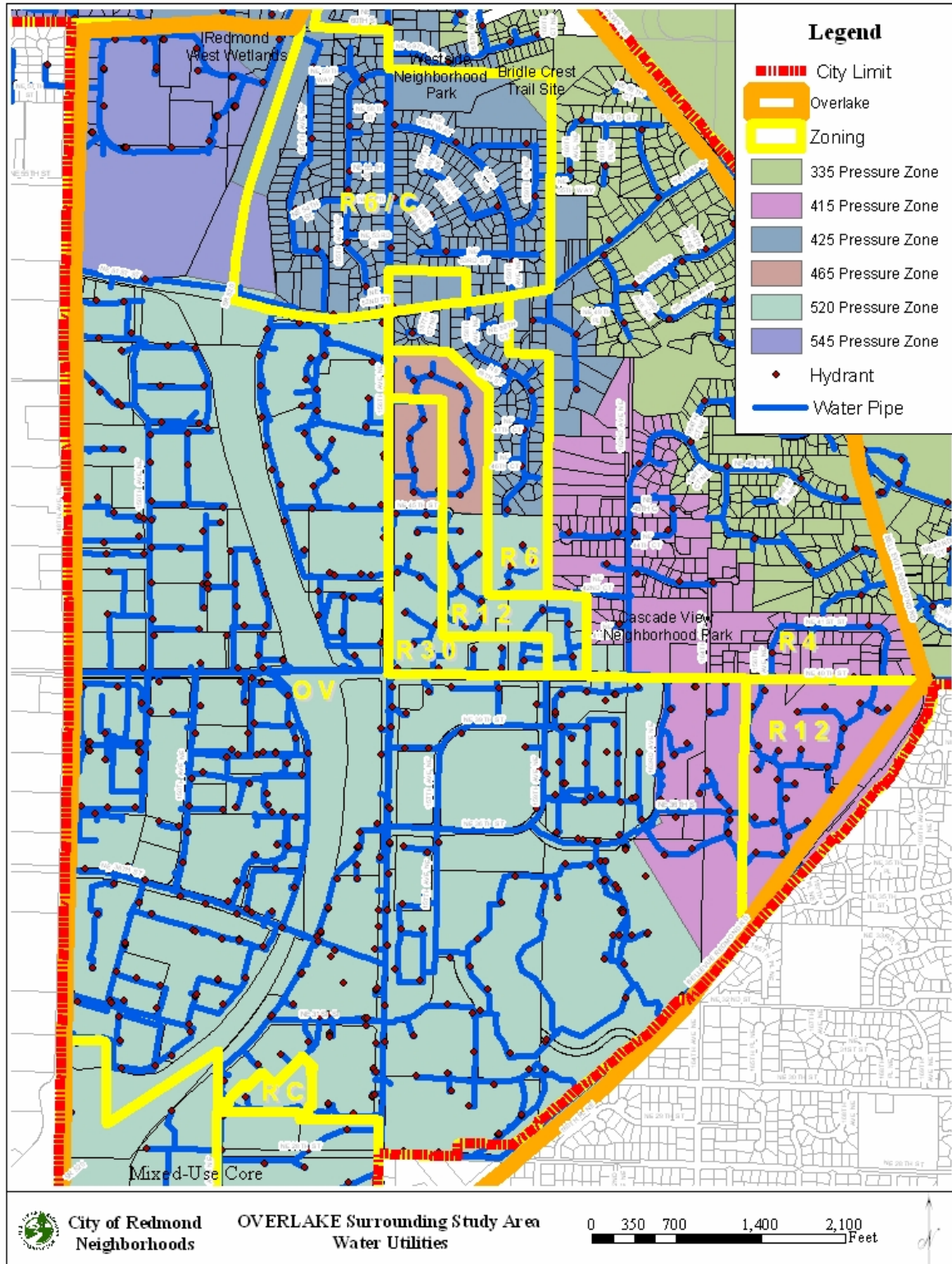
Plans for the water system discussed in the Mixed-Use Core section on utilities also apply to the surrounding area. No improvements within the 465 or 415 pressure zones are planned, and no improvements to the Rose Hill 545 pressure zone are planned for the portion of that zone within the study area.

In addition to the water supply project at the Sears building in the Mixed-Use Core, 3 other projects are planned for the 520 pressure zone in the study area. A distribution system improvement is planned at the NE 51st Street crossing of SR 520. Individual water meters are planned to be installed at both the Harper Hill Apartments and the Sunpointe Village Apartments.

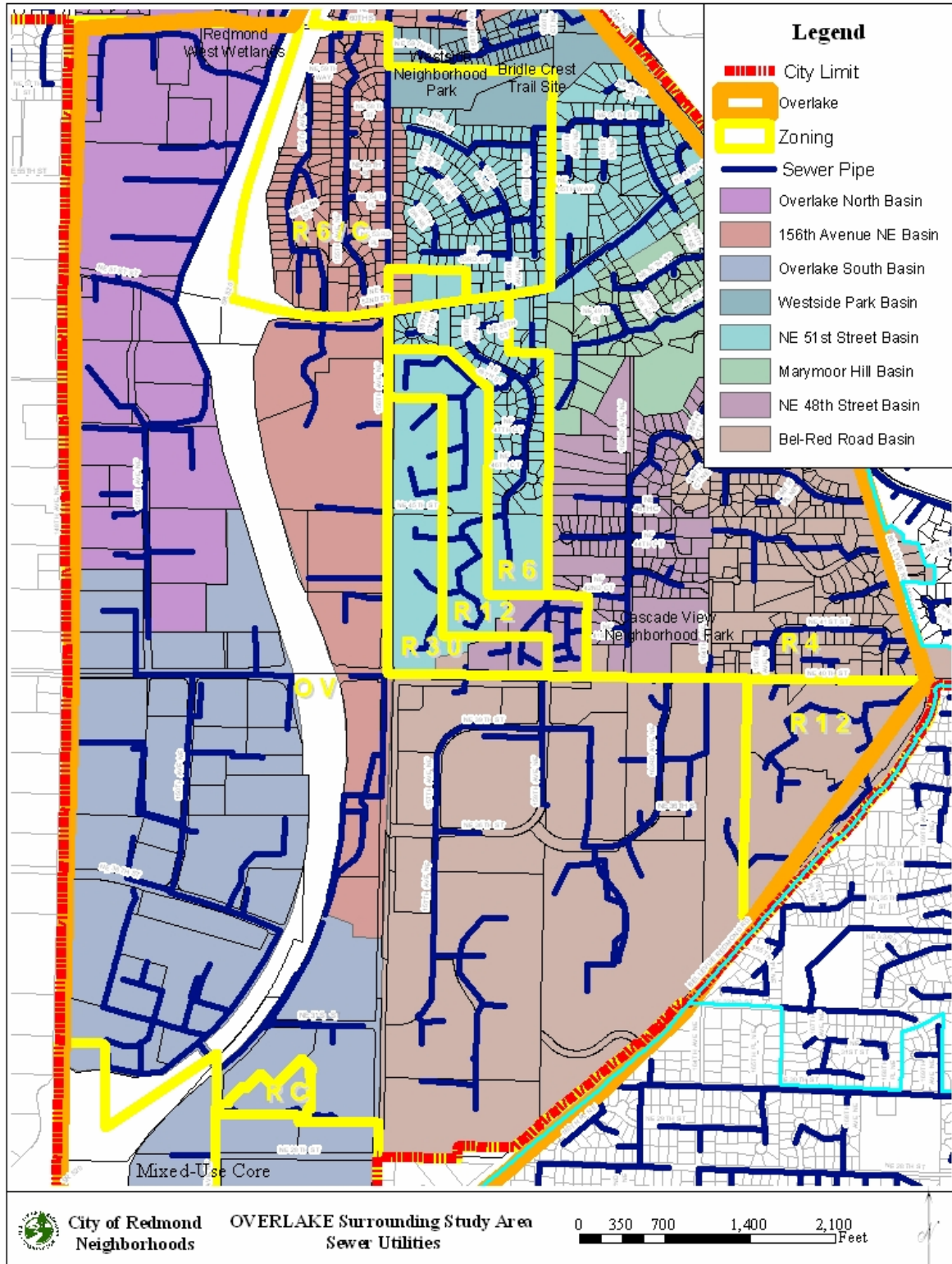
Sewer System

The Overlake neighborhood includes 8 sewer basins, 6 of which are found within the study area. These include: Overlake North, Overlake South, 156th Avenue NE, NE 51st Street, NE 48th Street, and Bel-Red Road. Map 28 shows the sewer basins as they exist in the area. Information pertaining to the Overlake South basin can be found in the sewer discussion in the Mixed-Use Core section of this report.

Map 27: Surrounding Study Area Water Utilities



Map 28: Surrounding Study Area Sewer Utilities



Parts of the Overlake North basin, along with parts of the 156th Avenue NE basin, were the first in Redmond to receive sewer service. In the early 1990s, several industrial complexes discharged industrial waste that dissolved some sections of concrete pipe and damaged others in the upper reach of the basin. Plans to repair the damaged section of pipe with an application of slip-lined pipe are included in the General Sewer Plan of 1997.

As with the Overlake South basin, surcharging is currently or is expected to be a problem with many of the sewer basins in this area, including: Overlake North, Bel-Red, NE 51st Street, and 156th Avenue NE. Overflow is expected to be a problem only in the Overlake North Basin.

Redmond's sewage flows are conveyed to the King County Department of Natural Resources Wastewater Treatment Department interceptor system for treatment and disposal. The sewage from the Overlake South Basin is conveyed to King County's South Treatment Plant in Renton. The sewage from the remaining basins in the Study Area is sent either to the South or West Point Treatment Plants, depending on flows; in the future, this waste will be disposed at the Brightwater Treatment Plant in Woodinville. No King County Wastewater Treatment facilities exist within the Overlake neighborhood; the nearest facilities of this sort can be found in the Viewpoint neighborhood.

Parks, Open Space and the Arts

Parks are closer to the Employment Area and other parts of the study area than the Mixed-Use Core, but few actually exist in the study area; only the Redmond West Wetlands actually falls within the study area boundaries. Other nearby parks include the Bridle Crest Trail Open Space, Cascade View Park, and Westside Park. A portion to the north of the study area is also served by Grass Lawn Community Park. These parks and the Bridle Crest Trail are detailed on Map 29 on page 108.

The Redmond West Wetlands is the only designated park within the study area boundaries.

Park and recreation facilities in and around the Overlake neighborhood are identified in the following table.

Table 28: Overlake Parks and Recreation Facilities

Facility	Acres
Bridle Crest Trail and Open Space	9.5
Cascade View Neighborhood Park	8
Redmond West Wetlands	4.4
Viewpoint Neighborhood Park	5
Viewpoint Open Space	10
Westside Neighborhood Park	6.4
Spiritbrook Neighborhood Park	2
Grass Lawn Community Park	28.5
Idylwood Beach Park	18.3
Ardmore Park (Bellevue)	29.19
Bellevue Golf Course (Bellevue)	118
Tam O'Shanter Park (Bellevue)	15.5
148 th Landscaping and Irrigation	2.46
156 th Landscaping and Irrigation	1.46

Schools can also provide some shared recreation facilities, both in- and out-of-doors. Schools located in or adjacent to the Overlake neighborhood include Audobon Elementary (Lake Washington School District; 9.4 acres) and 5 schools in the Bellevue School District: Ardmore Elementary (10 acres), Cherry Crest Elementary (10.15 acres), Bennett Elementary (9.82 acres), Highland Middle School (21.83 acres), and Interlake High School (39.22 acres).

The Bridle Crest Trail Open Space is a resource park open space. It is undeveloped and located adjacent to the Bridle Crest Trail and just east of Westside Neighborhood Park. The Bridle Crest Trail is a soft-surface multi-use trail for horseback riding, mountain biking and hiking. It connects Bridle Trails State Park in Kirkland to Marymoor Park and the Sammamish River Trail in Redmond. The City of Redmond owns and maintains 1.1 miles of the trail, while King County owns and maintains 1 mile in Kirkland.

Westside Neighborhood Park includes a children's play area, practice softball field, basketball half court, pickleball court, picnic tables and open space. The Redmond West Wetlands are a

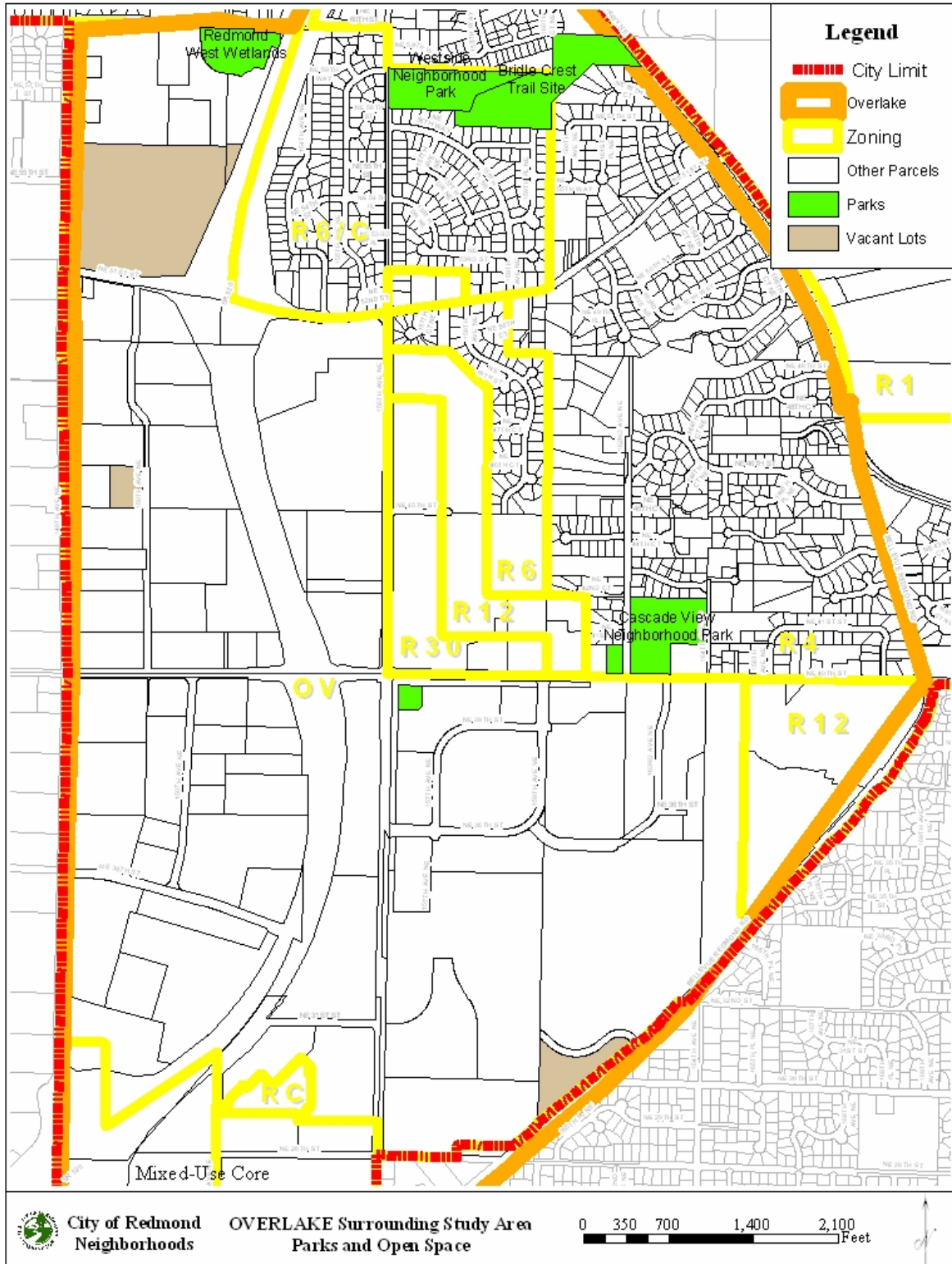
developed, special use resource park. The site is adjacent to the Bridle Crest Trail and includes an interpretive trail and highly stratified wetlands.

The Cascade View Park is a developed neighborhood park. It includes a children's play area, tot lot, 2 basketball half courts and a practice grade softball field. The Park Improvement Plan includes Cascade Park Phase II which will begin in 2007. Phase II of improvements calls for tennis courts, a pickleball court and a "bang" wall to be added to the park.

2 resource parks are identified for the area in the future near NE 40th and NE 51st Streets.

The Park Improvement Plan also calls for 2 resource parks to be added to the Overlake area in the next 7 years; these will most likely be located near NE 40th and NE 51st Streets. The Nintendo Development Agreement, discussed below, provides 1.5 acres of public open space adjacent to 148th Avenue NE and NE 51st Street. Plans for this open space have not been developed but Nintendo intends to work with the Parks Board and staff to design the open space area. After the area is developed, the land will be dedicated to the City for use. An agreement for the second resource park could be negotiated as development within the area occurs.

Map 29: Surrounding Study Area Parks and Open Space



STUDIES AND AGREEMENTS PERTINENT TO THE STUDY AREA

A number of previous studies have been conducted on the Overlake Neighborhood, including the area in the Mixed-Use Core and Employment Area. The most significant of these studies include the BROTS Agreement, Update, and Project Evaluation, and the North-South Corridor Study, a study that arose from the updated BROTS Agreement. These studies have 2 significant impacts on the study area of concern: the imposition of a cap on commercial development in the area and the identification of needed transportation improvement projects to mitigate the effects of increased development.

Three development agreements relate to future development within the study area of this report, including those related to Safeco, Microsoft, and one pending with Nintendo. These agreements describe future development on the three corporate campuses, transportation projects within and outside of the Overlake Neighborhood, and other public infrastructure improvements that will be provided or funded by the companies.

Each of these studies and agreements are discussed below.

BROTS Agreement, Update, and Project Evaluation

In 1986, the Cities of Bellevue and Redmond completed the Bel-Red/Overlake Transportation Study (BROTS). This study was updated in 1995 and an Interlocal Agreement was signed in November 1998 which detailed policies for project financing and cost sharing, concurrency, trip reduction and regional facilities in the area. The agreement calls out specific transportation projects needed to serve development in the area and specifies funding amounts and responsibilities. In addition to these transportation-focused items, the BROTS agreement also dictates the maximum development capacity each city can accommodate.

In 1999, the cities began a BROTS Update study to create a 2012 multimodal transportation plan. The BROTS Update had three goals: to evaluate future 2012 transportation needs based on land use alternatives; to reassess feasibility of planned improvements; and, to focus on integrating roadway, transit, non-motorized and demand management transportation solutions. This update established the current commercial development cap that both cities must abide by until 2012. As mentioned above, the Overlake development cap provides for a maximum of 15.4 million square feet of commercial floor area through 2012, while the Bel-Red development cap is 12.2 million square feet in the same time period. Residential development is excluded. The cap was created to mitigate the transportation impacts of growth and to maintain established LOS standards for the areas.

A BROTS Project Evaluation and Review Study was completed in 2004. The study was undertaken to analyze, refine and prioritize the BROTS projects that remained for the City of Redmond. Of 12 projects that remained to be implemented, 6 were identified as needing further refinement. After refinement, the 12 projects were prioritized based on criteria such as project timeliness, traffic performance and safety, environmental issues, community support and impacts, and ease of implementation. Based on this analysis, 5 projects were recommended as priority projects and the remaining 7 were deemed non-priorities. The 3 projects that are located within the study area

for this report were recommended as non-priority projects; these projects included adding a north leg to and signalizing the intersection of 150th Avenue NE and NE 51st Street; adding north- and southbound lanes at 152nd Avenue NE and NE 24th Street; and, adding a northbound right turn lane at the relocated 150th Avenue NE and NE 40th Street intersection.

North-South Corridor Study

Stemming from the BROTS Update, the North-South Corridor Study concluded in 2003. This study was generally undertaken to address congestion in the Overlake portion of 148th Avenue NE. The specific purpose of the study was two-fold: to confirm the need of the BROTS project to extend 152nd Avenue NE over SR 520 or to identify a more cost effective project to accomplish a comparable improvement; and, to identify short-term projects to optimize traffic flow and operation along 148th Avenue NE. The study area extended east to west from 156th to 148th Avenues NE and north to south from NE 60th Street to Bel-Red Road.

Key transportation issues that were identified in this study included that traffic congestion is worsening, especially in the afternoon peak hour; the biggest problem areas are on 148th Avenue NE at NE 24th Street and the SR 520 interchange; better transit service is needed, including more routes and more frequent service; and, pedestrian crossing at the SR 520 interchange is limited. The public also identified the need for more entrances and exits from SR 520. Despite the consensus among the public that 148th Avenue NE is not the best arterial for pedestrian and bicycle traffic, those on the study committee were opposed to building a significant number of intersection widening projects throughout the area that would degrade the pedestrian environment and reduce the ability to develop mixed uses and transit oriented developments in the future.

Recommendations were made on short-term improvements to transportation problems in the area which included key projects at the intersection of NE 24th Street and 148th Avenue NE. These recommendations call for widening NE 24th Street for a second westbound left-turn lane and lengthening the westbound right-turn lane on the street. At the same time, NE 24th Street could also be widened to allow for wide curb lanes for bicyclists. This project would improve peak period intersection operation at the key bottleneck location in the study area. Added lanes, however, could negatively impact businesses in northeast and southeast quadrants of the intersection.

Improvements to the interchange of SR 520 at 148th Avenue NE were also identified in the study. These include streamlining the southbound lanes on 148th Avenue NE to reduce friction and improve the southbound flow. This would be coordinated with the planned BROTS project 68.0 to widen 148th Avenue NE over SR 520 for an additional northbound lane between the loop ramps. Overall, this project would reduce lane-blockages at the ramp intersection and provide better guidance for southbound traffic approaching the NE 24th Street intersection.

A collection of 4 other intersection improvements were identified as a reasonable short-term improvement package. Together, they are estimated to provide a 14% reduction in system-wide afternoon peak hour delay in the study area and improve the intersection LOS at 7 key intersections. Travel time along 148th Avenue NE would improve as would travel time for westbound traffic on NE 24th Street.

The study also recommended delaying a potential new crossing over SR 520 at 152nd Avenue NE until after 2012. Multiple alternatives for this extension's alignment were considered and significant issues arose with many of them. The best alignment identified by the study would extend 152nd Avenue NE to the north, follow the eastern edge of SR 520, cross SR 520 at NE 36th Street, continue westward and link with 150th Avenue NE to the north. This extension would be a significant long term improvement to the Overlake area, primarily because it could provide greater connectivity across SR 520 for both motorized and non-motorized transportation. It is expected to reduce traffic on 148th and 156th Avenues NE and reduce area-wide v/c by 3%. This project has essentially been replaced by the NE 36th Street overpass being considered by Microsoft.

A second project considered by this study was an eastbound ramp to 152nd Avenue NE from the eastbound off-ramp of SR 520. This ramp would traverse east, tunnel under 148th Avenue NE and continue toward 152nd Avenue NE in the vicinity of the Overlake Park and Ride. The ramp could carry vehicles directly to the Microsoft campus and other destinations east of 148th Avenue NE and thereby reduce the number of vehicles making the southbound to eastbound turning movement at that intersection. In addition, it could provide a significant reduction in travel time for buses coming off of SR 520 headed to the Overlake Park and Ride.

Analysis of both of these long-term projects showed that the eastbound ramp to 152nd Avenue NE had the most positive impact on traffic congestion in the study area, and, therefore, the Mixed-Use Core. This project could potentially reroute approximately 600-700 afternoon peak hour vehicles from the intersection of 148th Avenue NE and NE 24th Street. Both projects, however, were supported as viable options after 2012 to improve the transportation issues in the area.

Microsoft Development Agreement

The Microsoft Development Agreement (MSDA) contains sections regarding: Development Approval Process; Transportation Demand Management and Parking; Stormwater Detention and Treatment; Density Transfer; Street Right-of-Way Vacation/FAR; Mitigation of Transportation Impacts; 36th Street Overpass; Transportation Advocacy; 40th Street Corridor Enhancement; Landscape Buffering and Tree Protection; Public Utilities; Environmental Review; Transportation Concurrency; and, Vested Rights. The agreement was signed and approved in May of 2005.

The most significant piece of the MSDA relates to the amount of additional development that will be taking place on the Microsoft campus within the next 20 years. The company plans to develop 2,195,488 square feet of gross floor area; this number is net of any gross floor area that is demolished in that time period. However, approximately 251,000 square feet of this additional development cannot be developed unless the BROTS development cap is raised. The rest of the additional development has no phasing requirements associated with it and is allowed to be allocated between the Main and West Campuses. This has the effect of eliminating site-by-site accounting of the allowed square footage or FAR per parcel. Taking the portion of the Microsoft agreement that can proceed and that proposed by Nintendo will bring commercial development in the area within 100,000 square feet of the BROTS cap.

As part of the MSDA, Microsoft undertook a study of the transportation impacts associated with the buildout suggested in the Agreement. The study found that buildout would generate an estimated 2,751 net new afternoon peak hour trips; of these, 467 would be entering the campus and 2,284 would be exiting. Concurrency tests show failures in three Redmond TMDS, as mentioned above. Concurrency requirements for the Overlake TMD were met, however. Studies also found that any right-of-way vacations on Microsoft roads would not affect pedestrian connectivity or the City of Redmond Bicycle Plan. Many of the infrastructure improvements that will be provided by Microsoft are related to this portion of the study.

Also associated with transportation issues is the agreement to improve the partnership between the City and Microsoft in the area of transportation demand management and single-occupancy vehicle rate reduction. Already, Microsoft's current campus wide SOV rate of 72% is significantly lower than the 78% SOV rate which was assumed for the Microsoft campus during the BROTS update. Microsoft has undertaken a new Commute Trip Reduction study to identify further activities that would be effective at reducing the SOV rate. This study will contribute to Microsoft's new Transportation Management Program. The company has also pledged to regionally advocate for transportation improvements in the area, which will be particularly important to bringing HCT to the Overlake area.

Other significant transportation topics include the potential vacation of the 150th Avenue NE right-of-way and the associated extension of 150th Avenue NE, as well as the NE 36th Street over-crossing of SR 520. Microsoft has requested the City's participation in providing an over-crossing of SR 520 in the vicinity of NE 36th Street to provide increased network grid diversity for local multi-modal trips. Microsoft will fund 70% of the cost of the overpass project up to a maximum of \$15,200,000. This project replaces the other SR 520 crossing identified by the North-South Corridor study described above.

The Microsoft campus lies within 4 stormwater drainage basins: Bel-Red, NE 40th Street, SR 520/Sears Creek, and the Sammamish River basins. The development specified in the development agreement will proceed consistent with regulations and requirements for the NE 40th Street, SR 520/Sears Creek, and the Sammamish River basins. Microsoft has proposed to complete a basin-wide stormwater master plan and downstream analysis on the Bel-Red basin, which utilizes a natural conveyance system, by the end of 2005. Following completion of this study, Microsoft will construct any needed facilities on its property and within the basin.

Microsoft has also agreed to fund up to \$3.5 million of the cost of Phases 2 and 3 of the Overlake South Trunk reconstruction. This project is described in more detail in the above Mixed-Use Core Utilities section. Microsoft's contribution shall be provided as follows: \$1 million on June 30, 2006, \$1 million on June 30, 2007, and the balance upon completion of construction of the sewer trunk replacement project. Any remaining unused sewer mitigation funds held by the City will be refunded to Microsoft after an audit is performed.

Among the benefits to Redmond is the knowledge of where development will occur within the Overlake area, how the impacts of that development will be mitigated, and how the cost of the mitigation will be paid. While the timing of the development will be market driven, there is a general timeframe established for the development to occur. This affirms Microsoft's intention

to remain and grow within the Redmond area and to continue to invest directly and indirectly in the area. The included infrastructure improvements are substantially above what would be expected from incremental growth occurring even at the same level of intensity.

Safeco Development Agreement

The Safeco Insurance Company of America's Redmond Campus is located in the southwest corner of the intersection of 156th Avenue NE and NE 51st Street and covers approximately 46 acres. Development Agreements were signed with the City in May 1998 and again in April 2004. The first agreement allowed for 2 phases of development totaling 359,922 square feet of office and cafeteria space in 3 new buildings and an addition to an existing building. It also provided for up to 793 parking spaces. Phases I and II were completed in 2001.

The second agreement contains provisions related to Phase III development of the campus. Up to 445,490 net new square feet of office or office-related space is allowed by this agreement; this can be built all at one time, or phased over time through 2015. The development is still subject to the site plan entitlement process as well as a project level SEPA. No additional tree retention requirements are included in this second agreement.

Total PM peak hour trips (between 4:00 and 6:00 PM) are capped at 1476. If trips resulting from the additional development are greater than this cap within 4 years, Safeco must work to mitigate the situation; mitigation options include: funding a shuttle that runs from the Redmond Campus to the Overlake Transit Center at NE 40th Street, increasing subsidies to employees participating in ride-share programs, creating a custom bus route, or charging for parking.

Since the signing of this Development Agreement, Microsoft has purchased Safeco's Redmond Campus. The provisions and requirements of the Safeco Development Agreement continue to apply to the property.

Nintendo Development Agreement

Nintendo, which owns an approximately 27 acre site west of SR 520 at NE 51st Street is in the process of negotiating a development agreement with the City that will be in effect for 10 years or until completion of the 550,817 gross square feet proposed. This square footage would consist of office and office-related uses, as well as supporting uses and infrastructure improvements. Nintendo would effectively reserve 515,000 square feet of the existing BROTS commercial cap. The remaining amount, 35,817 square feet, is a designated "Holdback" which can be utilized after one of the following conditions is met: the BROTS cap is raised; square footage currently allocated to other properties or projects under the BROTS cap becomes unallocated; or the BROTS cap expires and is not renewed.

Other significant aspects of the Nintendo Development Agreement (NDA) address transportation improvements and concurrency mitigations, stormwater detention and utility infrastructure improvements, and conditions related to buffers along 148th Avenue NE. The buffer along this corridor must be an average of 200 feet and no less than 150 feet. No above-grade buildings, structured parking or surface parking may be constructed in the area. However, reduction of the

buffer may be allowed to provide opportunity and incentive to develop a mixed-use or residential project on the southwest corner of the property. This reduction is conditional upon Nintendo meeting the following: Nintendo must apply to develop a residential or mixed-use component; the corner must be subdivided into a separate legal lot; and, the BROTS cap is raised to accommodate the non-residential component of the development, which cannot contribute to the 550,817 square feet proposed in the NDA.

Two transportation improvement projects are associated with the NDA. These include the installation of a traffic signal at the intersection of NE 51st Street and 150th Avenue NE and the construction of a right-in/right-out access point to and from 148th Avenue NE. Approximately 696 of the new vehicle trips generated by the NDA can be accommodated through existing capacity. Mitigation in other TMDs throughout Redmond will be necessary. The NDA specifies one project that Nintendo must carry out and 3 projects constructed and funded by Microsoft for which Nintendo will have to pay reimbursement equal to the amount of capacity used in those projects. These projects include:

- Grass Lawn TMD: Construct a second northbound left-turn lane at 140th Avenue NE and Redmond Way (\$908,000).
- Grass Lawn TMD: Reimburse Microsoft for utilizing excess capacity generated by the installation of a new signal at Old Redmond Road and West Lake Sammamish Parkway.
- SE Redmond TMD: Reimburse Microsoft for utilizing excess capacity generated by the re-channelization improvements at East Lake Sammamish Parkway and NE 65th Street.
- North Redmond TMD: Reimburse Microsoft for utilizing excess capacity generated by the installation of a new signal at 172nd Avenue NE and NE 116th Street.

Finally, the proposed NDA includes provisions related to utilities and stormwater management related to the property. The Agreement notes that no stormwater detention shall be required within the Sammamish River Drainage Basin so long as the project will provide stormwater quality control, and surface runoff can be safely and adequately conveyed from the project to the Sammamish River. To adequately convey stormwater runoff from the property to the Sammamish River, downstream conveyance systems may require some improvements. Other major off-site utility infrastructure improvements include the following:

- Reconstruct portions of the Overlake North Sewer Basin downstream sewer trunk to serve future development in the basin. Replace approximately 600 lineal feet of existing 8-inch diameter pipe in 154th Avenue NE between NE 64th and NE 68th Streets with a new 10-inch sewer main. Replace approximately 1,100 lineal feet of existing 8-inch pipe in Old Redmond Road with a new 12-inch diameter pipe.
- Loop public water mains through the property and connect to existing water main stubs on the Microsoft Red-West Campus and existing public water mains in the adjacent right-of-ways.

CONCLUSIONS AND RECOMMENDATIONS

This report serves to inform those contributing to implementation and refinement of the Overlake Neighborhood Plan on the background and existing conditions in the Overlake neighborhood, with a specific focus on the Mixed-Use Core. The overall project involves evaluating actions needed to implement the existing vision and policies, and extension of the land use and transportation planning horizon to 2030.

In 1999, new visions for the Employment Area and the Mixed-Use Core of the Overlake Neighborhood were adopted in that neighborhood's plan update. Development in the Employment Area has proceeded as set out in the vision: the area is continuing as a major corporate, advanced technology, research and development, and compatible manufacturing hub for Redmond and the region. It is maintaining its campus-like feel, with significant trees and tree clusters.

The Mixed-Use Core is envisioned to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts would be located closer to the street as part of mid-rise (5 to 6-story), mixed-use developments, making the area more hospitable for pedestrians, bicyclists, and transit. Progress on achieving this vision has been slow. While there has been some developer interest in additional residential or potentially mixed-use developments, the City has received few formal applications. This may be changing, as 2 mixed-use development proposals, one including housing, have been received in recent months.

The implications of land and improvement values, ownership patterns, transportation, demographics and other area characteristics on development decisions have been evaluated and used to identify challenges and opportunities to achieving the vision laid out for the Mixed-Use Core.

Opportunities for achieving this vision include:

- Location: The Overlake Mixed-Use Core is centrally located between the downtowns of both Redmond and Bellevue, and is close to a large employment center. It is well served by SR 520 but not oriented towards the freeway, allowing for a well functioning neighborhood core to form.
- Large parcel size: A majority of the parcels in the Mixed-Use Core are relatively larger than those in the Downtown. Smaller parcels and ownership holdings are more difficult to assemble, thereby making redevelopment more challenging.
- Housing demand: As the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives.
- Current zoning capacity: Current zoning and development regulations in place provide for a tremendous amount of residential capacity. If the BROTS cap is increased, additional commercial capacity would exist as well.

- Lower land cost: Current land costs in Overlake are 10-20% lower than in the Downtown which may make it more attractive for redevelopment to accommodate future population growth.
- Low improvement to land value ratio: Properties with a ratio of improvement value to land value of less than 0.5 are generally considered potential candidates for redevelopment. In the case of the Mixed-Use Core of Overlake, 13 properties fall into this category—a total of approximately 17 acres.
- Transit: Typically, the planning and construction of transit stations for fixed-guideway transit spurs redevelopment in an area. A high capacity transit station located in the vicinity of 152nd Avenue NE and NE 24th Street would strongly support the vision for the Mixed-Use Core.
- Employment anchors: The presence of large employers—Microsoft, Nintendo, and Honeywell International, for example—can create demand for housing, retail, and other services, such as hotels.
- Group Health: Group Health will be moving the Eastside Hospital and specialty care functions from the current Group Health site in the Mixed-Use Core to Overlake Hospital in Bellevue. The future of this property is unknown, but if redeveloped the site could provide a jump-start to carrying out the vision for this area. It could also provide an example of a desirable type of development or of a successful redevelopment process in working with the City of Redmond.
- Surface parking: Although the presence of large amounts of surface parking is currently a barrier to a high quality pedestrian environment, it could allow for easier redevelopment of some sites by developing parking structures first and then filling in the existing surface parking with new retail or mixed-use structures.
- Parks Board SWOT Analysis: The Redmond Parks Board will be undertaking a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis of the Overlake neighborhood in the near future. It is likely that the next update of the PRO Plan will include a provision for acquisition of land for a park in this area. A park or other public space will provide an amenity that will attract residents and visitors alike, as well as make the area more hospitable and inviting to existing residents and employees.

Challenges for achieving the vision for the Mixed-Use Core include:

- No sense of place: A sense of place is critical in attracting new development and increasing the demand for housing, retail or services. In order to attract new residents, especially the Generation Y group that is expected to live here, the Mixed-Use Core will need to have more of a focal point with gathering places and desired services. Until this focal point is in place, developers may not be willing to consider the area since it is unlikely to attract many potential residents.

- Lack of builder awareness: Few builders are aware of the vision and zoning capacity in place for the Mixed-Use Core. Improving builder awareness of the goals and possibilities for the area may be the key to stimulating development proposals and creating the mixed-use core called for in the vision.
- Limited street grid: Because the street network in this area is missing key connections, too much reliance is placed on major streets for local circulation and access. This limited street grid contributes to significant traffic congestion which is perhaps a larger, more visible barrier to redevelopment in the area that is consistent with the Shopping and Mixed-Use Core vision.
- Traffic: Due partially to the limited street grid, heavy traffic congestion exists in the Mixed-Use Core. Although NE 24th Street is a major retail corridor in the Mixed-Use Core, it may be a significant, but not insurmountable, barrier to redevelopment under current traffic conditions. The street trees located along this corridor provide a physical divider between pedestrians and traffic, and could help to provide a buffer between upper-floor residences and the noise of traffic below. The introduction of HCT to the area will provide more transportation options to travelers but construction of the line is likely to temporarily negatively impact the traffic situation further.
- Poor pedestrian environment: In addition to long blocks created by the limited street grid (most block lengths range from 800 to 1200 feet) and high levels of traffic that are not appealing to pedestrians, intersection crossings are made difficult by the large number of lanes on several of the main arterials. There are also few bicycle lanes or connections. Large amounts of surface parking currently negatively impact the pedestrian environment by increasing the distance pedestrians must walk between retail or office locations.
- Lack of open space: Currently no public open spaces in the form of a park, plaza or other space exist within the Mixed-Use Core. Requiring developers to provide public open spaces may be difficult if the City is trying to entice redevelopment in the area.
- Future demographics: Many of the above issues combine to provide significant challenges to building housing. The most likely residents of new housing in the area are Generation Y renters (those under 30 years of age) who value proximity to social gathering places and services more than proximity to employment. Currently, the long blocks, relatively limited connectivity and access to transit, lack of amenities, and few things within walking distance are not likely to appeal to potential residents or developers.
- Building ownership: Approximately half of the landowners who own more than 3 acres in the Mixed-Use Core are located out-of-state. This may make redevelopment efforts with these particular land owners more challenging.
- Sewer capacity: Currently, the Overlake South sewer basin can accommodate projected growth through 2022. An update to the 1997 General Sewer Plan is needed to account for the period beyond this and for the amount of residential zoning capacity that exists in the neighborhood.

- Water storage deficit: Currently, the Overlake/Viewpoint water service area has a storage deficit and a system-wide deficit is projected for 2020 and 2050. Some plans to address this shortage have been identified. In the long run, additional storage capacity will be needed in this service area.
- Fire Department challenges: Station #12, located outside of the Mixed-Use Core on 148th Avenue NE, is likely to face increasing challenges resulting from increased traffic congestion, increasing population, simultaneous alarms, and increased structure size in the Mixed-Use Core.

Based on the above opportunities and challenges to redevelopment in and achievement of the vision for the Mixed-Use Core, the vision is still considered valid for the area, although it may take a longer period of time to achieve than desired. Some of the most significant driving forces of redevelopment in the Mixed-Use Core will be the planned construction of HCT through the area, the increased importance of Overlake in accommodating future population growth and the lower land values found here relative to those in the Downtown. There are also various City investments and actions that can be taken to help attract new development and redevelopment efforts to this particular area. Some of these actions include the following:

- Provide infrastructure and invest in public improvements: Infrastructure improvements in the area may include sidewalks and lighting that are consistent with the Pedestrian Supportive or Pedestrian Place designations. Investing in other public improvements such as a park, public art, or other pedestrian friendly places may also serve to attract developers and potential new residents or businesses.
- Improve the street grid: Refining the grid by providing more connections particularly in the east-west direction, would not only create shorter blocks for pedestrians, but would also potentially reduce some of the traffic on the existing arterials. The 36th Street SR 520 overcrossing project is likely to improve the traffic situation somewhat, but better internal connections are needed as well.
- Create a Public Relations Campaign for Overlake: Although the City may be willing and hopeful for new development or redevelopment to occur in this area, developers are not aware of that desire or of the opportunities for redevelopment that may exist here. Creating a sense of place in the Mixed-Use Core and giving it a more creative name is likely to aid in the creation of an identity. Community identities are often used for branding an area, which helps to attract not only future residents and businesses, but also private developers.